

# ModernGraham Valuation



## Company Name:

Company Ticker SCHW

Date of Analysis

3/11/2017

Charles Schwab  
Corp

## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass all 6 of the following tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$57,018,203,782	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	73.93%	Pass
5. Moderate PEmg Ratio	PEmg < 20	36.08	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.45	Fail

*Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.*

1. Earnings Stability	Positive EPS for 5 years prior		Pass
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	1.18
MG Growth Estimate	10.97%
<b>MG Value</b>	<b>\$35.84</b>
MG Value based on 3% Growth	\$17.07
MG Value based on 0% Growth	\$10.01
Market Implied Growth Rate	13.79%

### MG Opinion

Current Price	\$42.48
% of Intrinsic Value	118.53%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

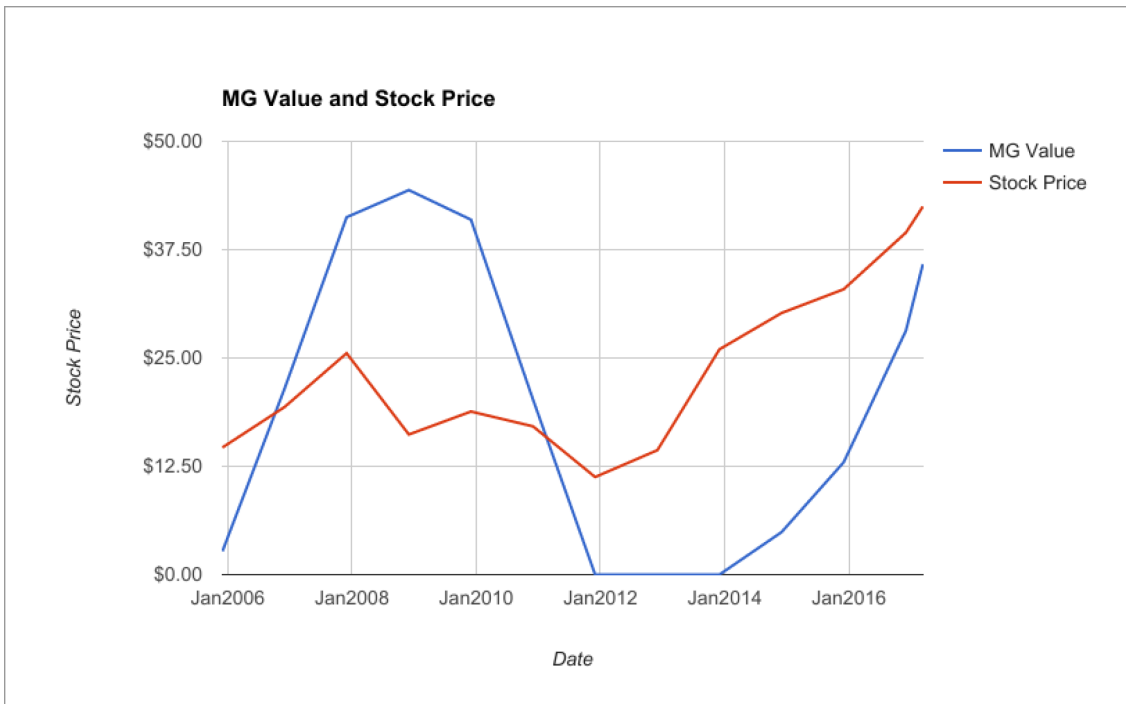
## Stage 3: Information for Further Research

Graham Number	\$17.55
PEmg	36.08
PB Ratio	3.45
Dividend Yield	0.64%
Number of Consecutive Years of Dividend Growth	2

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

<b>EPS History</b>		<b>EPSmg History</b>	
Next Fiscal Year Estimate	\$1.33	Next Fiscal Year Estimate	\$1.18
Dec2016	\$1.31	Dec2016	\$1.05
Dec2015	\$1.03	Dec2015	\$0.89
Dec2014	\$0.95	Dec2014	\$0.78
Dec2013	\$0.78	Dec2013	\$0.68
Dec2012	\$0.69	Dec2012	\$0.65
Dec2011	\$0.70	Dec2011	\$0.74
Dec2010	\$0.38	Dec2010	\$0.84
Dec2009	\$0.68	Dec2009	\$1.06
Dec2008	\$1.05	Dec2008	\$1.15
Dec2007	\$1.97	Dec2007	\$1.07
Dec2006	\$0.95	Dec2006	\$0.56
Dec2005	\$0.55	Dec2005	\$0.33
Dec2004	\$0.21	Dec2004	\$0.23
Dec2003	\$0.35	Dec2003	\$0.27
Dec2002	\$0.08	Dec2002	\$0.25
Dec2001	\$0.14	Dec2001	\$0.33
Dec2000	\$0.51		
		<b>Balance Sheet Information</b>	<b>12/1/2016</b>
Dec1999	\$0.49	Long-Term Debt & Capital Lease Obligation	\$2,876,000,000
Dec1998	\$0.28	Total Assets	\$223,383,000,000
Dec1997	\$0.22	Intangible Assets	\$1,371,000,000
		Total Liabilities	\$206,962,000,000
		Shares Outstanding (Diluted Average)	1,334,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

### Recommended Reading:

**Other ModernGraham posts about the company**

- [Charles Schwab Corp Valuation – August 2016 \\$SCHW](#)
- [27 Companies in the Spotlight This Week – 4/4/15](#)
- [Charles Schwab Corporation Annual Valuation – 2015 \\$SCHW](#)
- [17 Companies in the Spotlight This Week – 3/29/14](#)
- [Charles Schwab Corp \(SCHW\) Annual Valuation – 2014](#)

**Other ModernGraham posts about related companies**

- [Synchrony Financial Valuation – Initial Coverage \\$SYF](#)
- [Franklin Resources Inc Valuation – February 2017 \\$BEN](#)
- [S&P Global Inc Valuation – Initial Coverage \\$SPGI](#)
- [CME Group Inc Valuation – February 2017 \\$CME](#)
- [Equifax Inc Valuation – February 2017 \\$EFX](#)
- [Janus Capital Group Inc Valuation – Initial Coverage \\$JNS](#)
- [Jones Lang LaSalle Inc Valuation – Initial Coverage \\$JLL](#)
- [Sun Life Financial Inc Valuation – Initial Coverage \\$TSE:SLF](#)
- [Capstead Mortgage Corporation Valuation – Initial Coverage \\$CMO](#)
- [Affiliated Managers Group Inc Valuation – January 2017 \\$AMG](#)