

ModernGraham Valuation

Company Name:

Synchrony Financial

Company Ticker SYF

Date of Analysis

3/2/2017



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	\$29,835,641,645	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	27766566.67%	Pass
4. Earnings Growth	PEmg < 20	12.91	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.12	Pass
6. Moderate Price to Assets			

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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	2.80
MG Growth Estimate	9.19%
MG Value	\$75.28
MG Value based on 3% Growth	\$40.61
MG Value based on 0% Growth	\$23.81
Market Implied Growth Rate	2.20%

MG Opinion

Current Price	\$36.15
% of Intrinsic Value	48.02%
Opinion	Undervalued
MG Grade	C

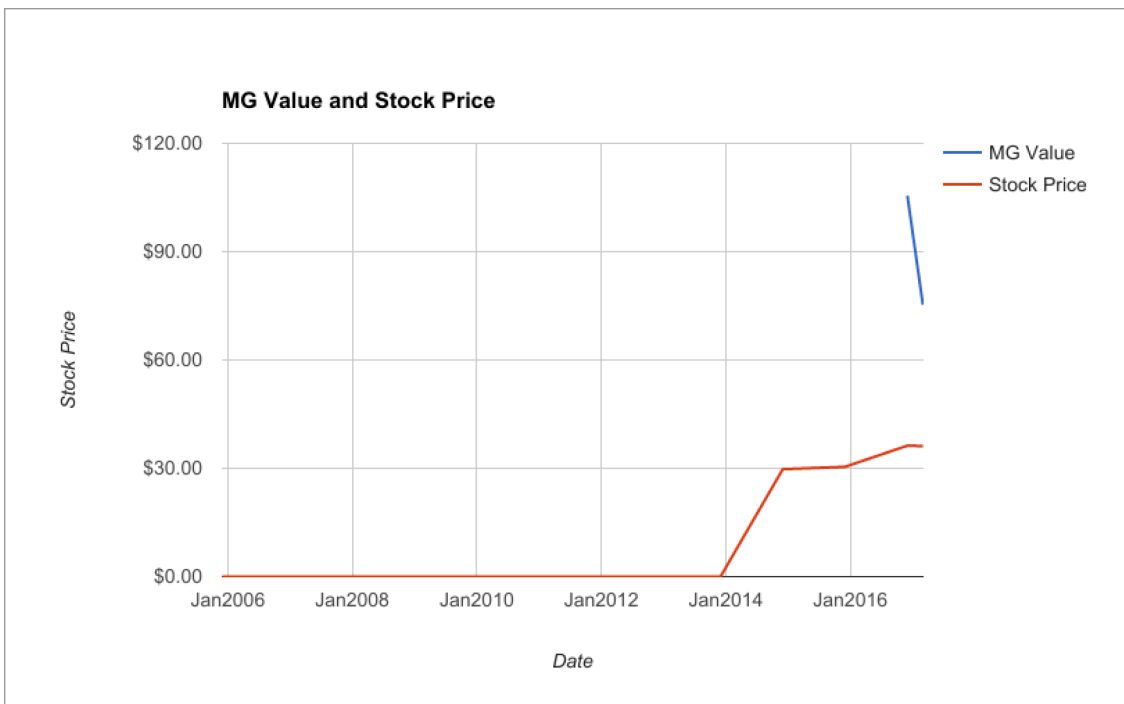
Stage 3: Information for Further Research

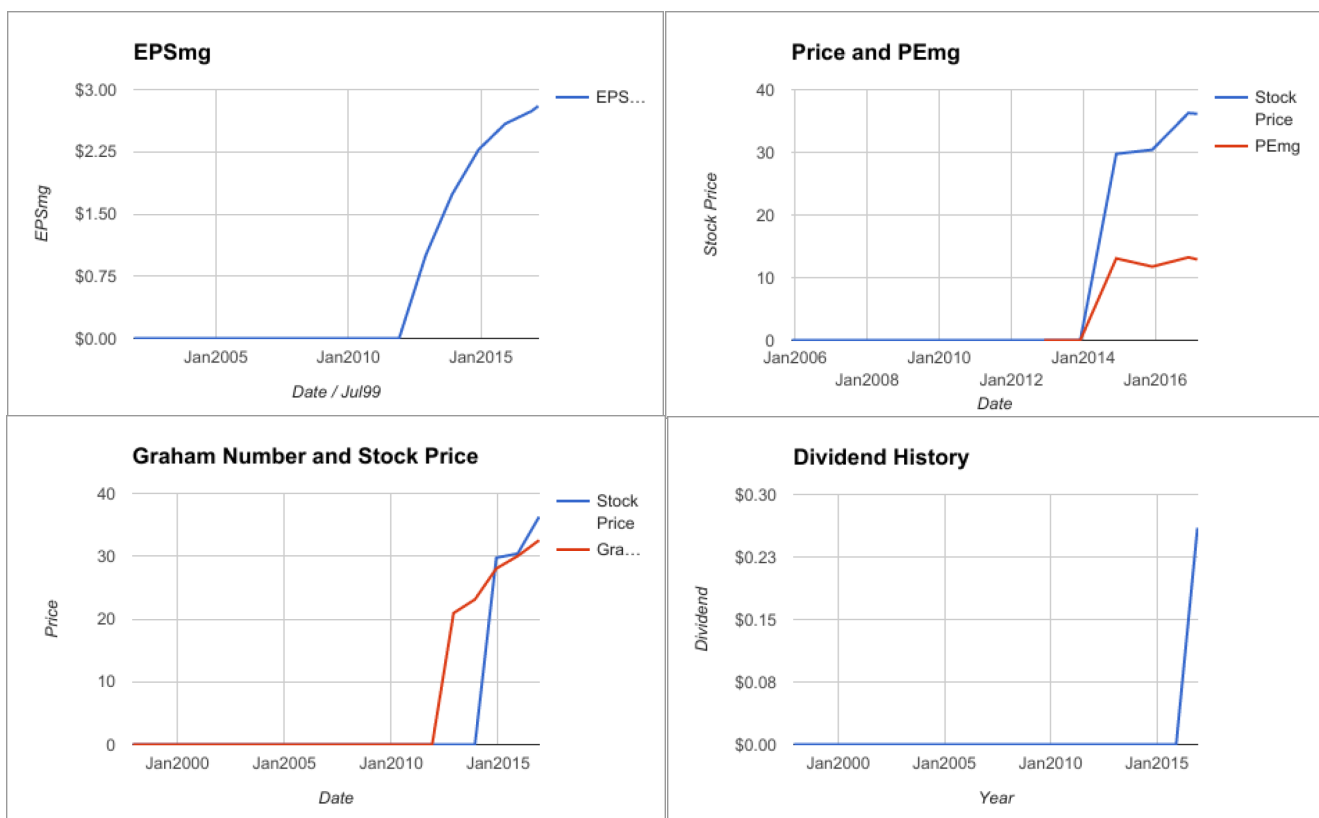
Graham Number	\$34.07
PEmg	12.91
PB Ratio	2.12
Dividend Yield	0.72%
Number of Consecutive Years of Dividend Growth	2

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$2.97		\$2.80
Dec2016	\$2.71	Dec2016	\$2.74
Dec2015	\$2.65	Dec2015	\$2.59
Dec2014	\$2.78	Dec2014	\$2.28
Dec2013	\$2.81	Dec2013	\$1.74
Dec2012	\$3.00	Dec2012	\$1.00
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information 12/1/2016	
		Long-Term Debt & Capital Lease Obligation	\$20,147,000,000
Dec1999	\$0.00	Total Assets	\$90,207,000,000
Dec1998	\$0.00	Intangible Assets	\$1,661,000,000
Dec1997	\$0.00	Total Liabilities	\$76,011,000,000
		Shares Outstanding (Diluted Average)	831,500,000





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

#N/A

Other
ModernGraham
posts about related
companies

[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](#)
[Investment Technology Group Valuation – Initial Coverage \\$ITG](#)