

ModernGraham Valuation

LegacyTexas
Financial Group Inc



Company Name:

Company Ticker LTXB

Date of Analysis

7/16/2017

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	\$1,805,433,977	Fail
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
4. Earnings Growth		893.22%	Pass
5. Moderate PEmg Ratio	PEmg < 20	21.28	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.97	Pass

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	1.77
MG Growth Estimate	15.00%
MG Value	\$68.27
MG Value based on 3% Growth	\$25.71
MG Value based on 0% Growth	\$15.07
Market Implied Growth Rate	6.39%

MG Opinion

Current Price	\$37.74
% of Intrinsic Value	55.28%
Opinion	Undervalued
MG Grade	C-

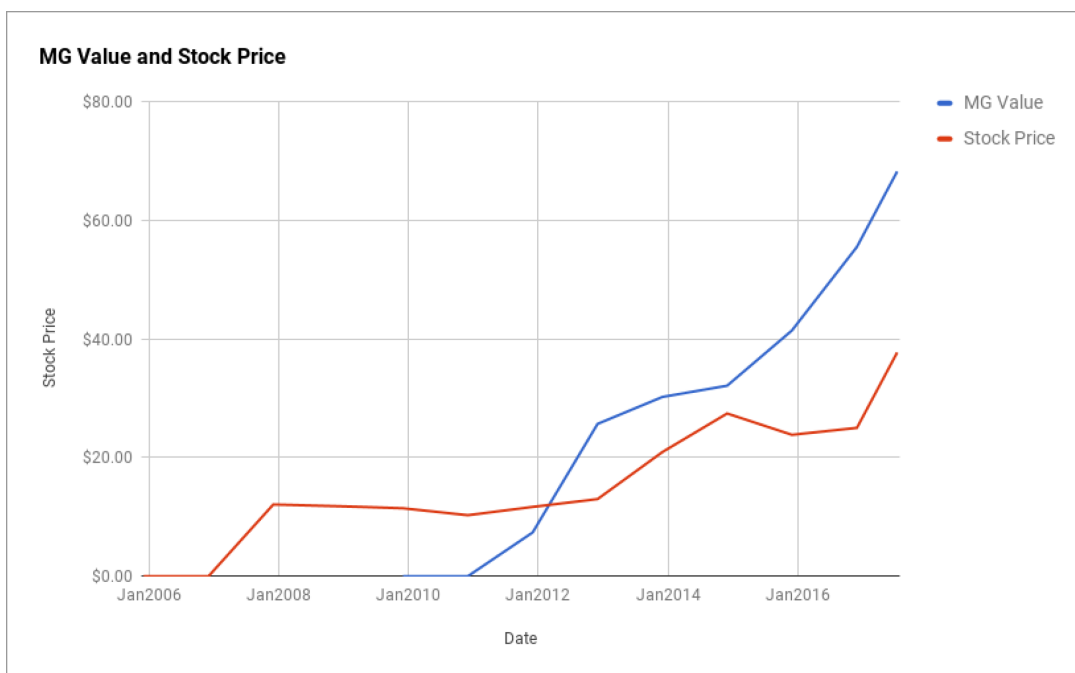
Stage 3: Information for Further Research

Graham Number	\$30.53
PEmg	21.28
PB Ratio	1.97
Dividend Yield	1.54%
Number of Consecutive Years of Dividend Growth	3

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	\$2.24	Next Fiscal Year Estimate	\$1.77
Dec2016	\$2.09	Dec2016	\$1.44
Dec2015	\$1.53	Dec2015	\$1.08
Dec2014	\$0.81	Dec2014	\$0.83
Dec2013	\$0.83	Dec2013	\$0.79
Dec2012	\$0.98	Dec2012	\$0.67
Dec2011	\$0.81	Dec2011	\$0.44
Dec2010	\$0.59	Dec2010	\$0.23
Dec2009	\$0.10	Dec2009	\$0.14
Dec2008	-\$0.10	Dec2008	\$0.21
Dec2007	\$0.14	Dec2007	\$0.35
Dec2006	\$0.06	Dec2006	\$0.40
Dec2005	\$1.43	Dec2005	\$0.48
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		
Dec1999	\$0.00		
Dec1998	\$0.00		
Dec1997	\$0.00		
		Balance Sheet Information	3/1/2017
		Long-Term Debt & Capital Lease Obligation	\$964,350,000
		Total Assets	\$8,436,542,000
		Intangible Assets	\$178,559,000
		Total Liabilities	\$7,536,625,000
		Shares Outstanding (Diluted Average)	47,060,000





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

- [SunTrust Banks Inc Valuation – April 2017 \\$STI](#)
- [Toronto-Dominion Bank Valuation – Initial Coverage \\$TSE:TD](#)
- [Texas Capital Bancshares Inc Valuation – Initial Coverage \\$TCBI](#)
- [TCF Financial Corp Valuation – Initial Coverage \\$TCB](#)
- [Canadian Western Bank Valuation – Initial Coverage \\$TSE:CWB](#)
- [CVB Financial Corp Valuation – Initial Coverage \\$CVBF](#)
- [Customers Bancorp Inc Valuation – Initial Coverage \\$CUBI](#)
- [Comerica Inc Valuation – March 2017 \\$CMA](#)
- [Sterling Bancorp Valuation – Initial Coverage \\$STL](#)
- [S&T Bancorp Inc Valuation – Initial Coverage \\$STBA](#)