

# ModernGraham Valuation

Company Name:

Wells Fargo & Co

Company Ticker WFC

Date of Analysis

8/13/2017



## 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	\$257,827,293,159	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
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		159.23%	Pass
5. Moderate PEmg Ratio	PEmg < 20	12.93	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.27	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

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	4.02
MG Growth Estimate	4.02%
<b>MG Value</b>	<b>\$66.46</b>
MG Value based on 3% Growth	\$58.25
MG Value based on 0% Growth	\$34.15
Market Implied Growth Rate	2.21%

### MG Opinion

Current Price	\$51.94
% of Intrinsic Value	78.15%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>B+</b>

## Stage 3: Information for Further Research

Graham Number	\$55.83
PEmg	12.93
PB Ratio	1.27
Dividend Yield	2.92%
Number of Consecutive Years of Dividend Growth	6

### Useful Links:

[ModernGraham tagged articles](#)

[Google Finance](#)

[Yahoo Finance](#)

[GuruFocus](#)

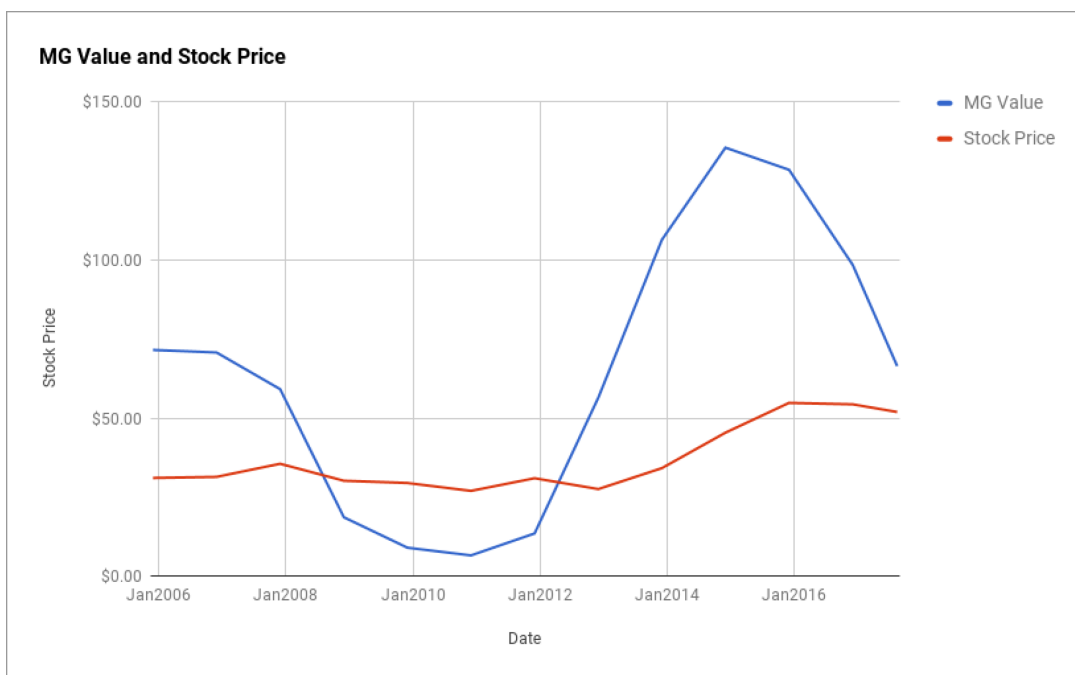
[Morningstar](#)

[MSN Money](#)

[Seeking Alpha](#)

[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2016	\$3.97	Dec2016	\$4.02
Dec2015	\$3.99	Dec2015	\$3.99
Dec2014	\$4.12	Dec2014	\$3.88
Dec2013	\$4.10	Dec2013	\$3.60
Dec2012	\$3.89	Dec2012	\$3.17
Dec2011	\$3.36	Dec2011	\$2.59
Dec2010	\$2.82	Dec2010	\$2.13
Dec2009	\$2.21	Dec2009	\$1.83
Dec2008	\$1.75	Dec2008	\$1.73
Dec2007	\$0.70	Dec2007	\$1.80
Dec2006	\$2.38	Dec2006	\$2.30
Dec2005	\$2.47	Dec2005	\$2.18
Dec2004	\$2.25	Dec2004	\$1.94
Dec2003	\$2.05	Dec2003	\$1.69
Dec2002	\$1.83	Dec2002	\$1.46
Dec2001	\$1.58	Dec2001	\$1.21
Dec2000	\$0.99	Dec2000	\$0.99
Dec1999	\$1.16	<b>Balance Sheet Information 6/1/2017</b>	
Dec1998	\$1.15	Long-Term Debt & Capital Lease Obligation	\$238,869,000,000
Dec1997	\$0.59	Total Assets	\$1,930,871,000,000
	\$0.74	Intangible Assets	\$40,761,000,000
		Total Liabilities	\$1,725,641,000,000
		Shares Outstanding (Diluted Average)	5,037,700,000





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

- [10 Most Undervalued Companies for the Defensive Investor – May 2016](#)
- [13 Best Stocks For Value Investors This Week – 12/12/15](#)
- [Wells Fargo & Co Valuation – December 2015 Update \\$WFC](#)
- [The Best Companies of the Banking Industry – October 2015](#)
- [10 Most Undervalued Companies for the Defensive Investor – September 2015](#)

Other  
ModernGraham  
posts about related  
companies

- [Dime Community Bancshares Inc Valuation – Initial Coverage \\$DCOM](#)
- [LegacyTexas Financial Group Inc Valuation – Initial Coverage \\$LTXB](#)
- [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](#)