# **ModernGraham Valuation**

# **Company Name:**

KeyCorp

Company Ticker KEY

Date of Analysis 3/15/2018



### 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 \$22,178,972,954 Pass
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
Peripring and end Payment Page 1440.78% Fail

 4. Earnings Growth
 beginning and end
 -440.78% Fail

 5. Moderate PEmg Ratio
 PEmg < 20</td>
 17.51 Pass

 6. Moderate Price to Assets
 PB Ratio < 2.5 OR PB\*PEmg < 50</td>
 1.50 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
 1.19

 MG Growth Estimate
 4.64%

 MG Value
 \$21.22

 MG Value based on 3% Growth
 \$17.31

 MG Value based on 0% Growth
 \$10.15

 Market Implied Growth Rate
 4.51%

MG Opinion

Current Price \$20.91 % of Intrinsic Value 98.52%

Opinion Fairly Valued

MG Grade B

#### Stage 3: Information for Further Research

 Graham Number
 \$21.58

 PEmg
 17.51

 PB Ratio
 1.50

 Dividend Yield
 1.82%

Number of Consecutive Years of Dividend

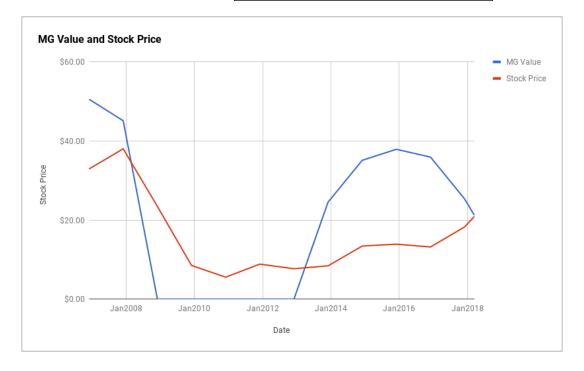
Useful Links: ModernGraham tagged articles Morningstar

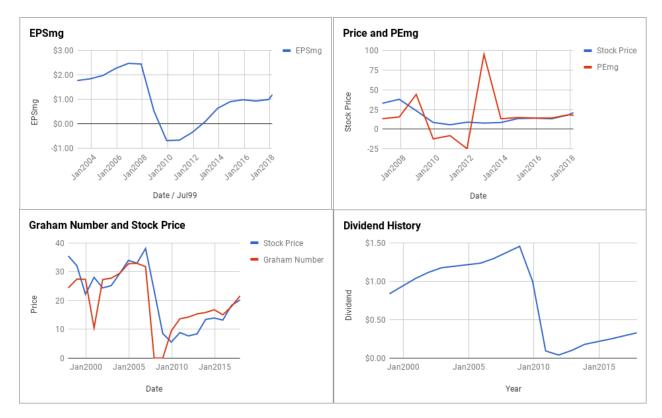
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$1.19
Dec2017	\$1.13	Dec2017	\$1.00
Dec2016	\$0.80	Dec2016	\$0.93
Dec2015	\$1.05	Dec2015	\$0.98
Dec2014	\$0.99	Dec2014	\$0.91
Dec2013	\$0.97	Dec2013	\$0.64
Dec2012	\$0.89	Dec2012	\$0.08
Dec2011	\$0.87	Dec2011	-\$0.35
Dec2010	\$0.44	Dec2010	-\$0.67
Dec2009	-\$2.34	Dec2009	-\$0.69
Dec2008	-\$3.36	Dec2008	\$0.53
Dec2007	\$2.32	Dec2007	\$2.45
Dec2006	\$2.57	Dec2006	\$2.48
Dec2005	\$2.73	Dec2005	\$2.27
Dec2004	\$2.30	Dec2004	\$1.98
Dec2003	\$2.12	Dec2003	\$1.84
Dec2002	\$2.27	Dec2002	\$1.77
Dec2001	\$0.31	Balance Sheet Information	12/1/2017
		Long-Term Debt & Capital Lease	
Dec2000		Obligation	\$14,333,000,000
Dec1999	\$2.45	Total Assets	\$137,698,000,000
Dec1998	\$2.23	Intangible Assets	\$2,954,000,000
		Total Liabilities	\$122,675,000,000
		Shares Outstanding (Diluted Average)	1,079,407,000





#### 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 Stocks Trading Below Their Graham Number - March 2016

5 Undervalued Companies for Enterprising Investors Near 52 Week Lows – January 2016

9 Best Stocks For Value Investors This Week – 11/28/15 KeyCorp Valuation – November 2015 Update \$KEY The Best Companies of the Banking Industry – October 2015

Other ModernGraham posts about related companies <u>Canadian Western Bank Valuation – March 2018 \$TSE-CWB</u>

Simmons First National Corp Valuation - March 2018 \$SFNC

Citigroup Inc Valuation - March 2018 \$C

People's United Financial Inc Valuation – March 2018 \$PBCT

JPMorgan Chase & Co Valuation – February 2018 \$JPM

Opus Bank Valuation - Initial Coverage \$OPB

Wells Fargo & Co Valuation – August 2017 \$WFC

Old National Bancorp Valuation - Initial Coverage \$ONB

Dime Community Bancshares Inc Valuation – Initial Coverage \$DCOM LegacyTexas Financial Group Inc Valuation – Initial Coverage \$LTXB