

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 beginning and end		
4. Earnings Growth		-440.78%	Fail
5. Moderate PEmg Ratio	PEmg < 20	17.51	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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 Growth	7

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	
Dec2017	\$1.58	Dec2017	\$1.19
Dec2016	\$1.13	Dec2016	\$1.00
Dec2015	\$0.80	Dec2015	\$0.93
Dec2014	\$1.05	Dec2014	\$0.98
Dec2013	\$0.99	Dec2013	\$0.91
Dec2012	\$0.97	Dec2012	\$0.64
Dec2011	\$0.89	Dec2011	\$0.08
Dec2010	\$0.87	Dec2010	-\$0.35
Dec2009	\$0.44	Dec2009	-\$0.67
Dec2008	-\$2.34	Dec2008	-\$0.69
Dec2007	-\$3.36	Dec2007	\$0.53
Dec2006	\$2.32	Dec2006	\$2.45
Dec2005	\$2.57	Dec2005	\$2.48
Dec2004	\$2.73	Dec2004	\$2.27
Dec2003	\$2.30	Dec2003	\$1.98
Dec2002	\$2.12	Dec2002	\$1.84
Dec2001	\$2.27	Dec2001	\$1.77
Dec2000	\$0.31	Balance Sheet Information 12/1/2017	
Dec1999	\$2.30	Long-Term Debt & Capital Lease Obligation	\$14,333,000,000
Dec1998	\$2.45	Total Assets	\$137,698,000,000
	\$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

[Canadian Western Bank Valuation – March 2018 \\$TSE-CWB](#)
[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](#)