

ModernGraham Valuation

People's United
Financial, Inc.



Company Name:

Company Ticker PBCT

Date of Analysis

3/1/2018

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	\$6,627,255,795	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	185.32%	Pass
5. Moderate PEmg Ratio	PEmg < 20	18.76	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.13	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	1.02
MG Growth Estimate	6.53%
MG Value	\$21.99
MG Value based on 3% Growth	\$14.79
MG Value based on 0% Growth	\$8.67
Market Implied Growth Rate	5.13%

MG Opinion

Current Price	\$19.14
% of Intrinsic Value	87.04%
Opinion	Fairly Valued
MG Grade	A

Stage 3: Information for Further Research

Graham Number	\$21.22
PEmg	18.76
PB Ratio	1.13
Dividend Yield	3.59%
Number of Consecutive Years of Dividend Growth	20

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	\$1.22	Next Fiscal Year Estimate	\$1.02
Dec2017	\$0.97	Dec2017	\$0.90
Dec2016	\$0.92	Dec2016	\$0.85
Dec2015	\$0.86	Dec2015	\$0.79
Dec2014	\$0.84	Dec2014	\$0.71
Dec2013	\$0.74	Dec2013	\$0.60
Dec2012	\$0.72	Dec2012	\$0.50
Dec2011	\$0.55	Dec2011	\$0.40
Dec2010	\$0.24	Dec2010	\$0.34
Dec2009	\$0.30	Dec2009	\$0.40
Dec2008	\$0.41	Dec2008	\$0.46
Dec2007	\$0.52	Dec2007	\$0.48
Dec2006	\$0.41	Dec2006	\$0.44
Dec2005	\$0.46	Dec2005	\$0.42
Dec2004	\$0.68	Dec2004	\$0.38
Dec2003	\$0.22	Dec2003	\$0.28
Dec2002	\$0.19	Dec2002	\$0.36
Dec2001	\$0.26		
Dec2000	\$0.38		
Dec1999	\$0.81		
Dec1998	\$0.64		
		Balance Sheet Information 12/1/2017	
		Long-Term Debt & Capital Lease Obligation	\$3,883,800,000
		Total Assets	\$44,453,400,000
		Intangible Assets	\$2,560,000,000
		Total Liabilities	\$38,633,500,000
		Shares Outstanding (Diluted Average)	342,333,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author held a long position in PBCT 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**
- [People's United Financial Inc Valuation – June 2016 \\$PBCT](#)
 - [10 Companies Benjamin Graham Would Invest In Today – March 2016](#)
 - [Dividend Growth Stocks for Intelligent Investors – February 2016](#)
 - [13 Best Stocks For Value Investors This Week – 12/12/15](#)
 - [People's United Financial Corp Valuation – December 2015 Update \\$PBCT](#)

- Other ModernGraham posts about related companies**
- [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](#)
 - [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](#)