

ModernGraham Valuation

Citizens Financial
Group Inc



Company Name:

Company Ticker CFG

Date of Analysis

4/19/2018

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	\$20,415,835,425	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Fail
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	28399900.00%	Pass
5. Moderate PEmg Ratio	PEmg < 20	15.67	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.02	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	2.67
MG Growth Estimate	15.00%
MG Value	\$102.82
MG Value based on 3% Growth	\$38.72
MG Value based on 0% Growth	\$22.70
Market Implied Growth Rate	3.59%

MG Opinion

Current Price	\$41.86
% of Intrinsic Value	40.71%
Opinion	Undervalued
MG Grade	B+

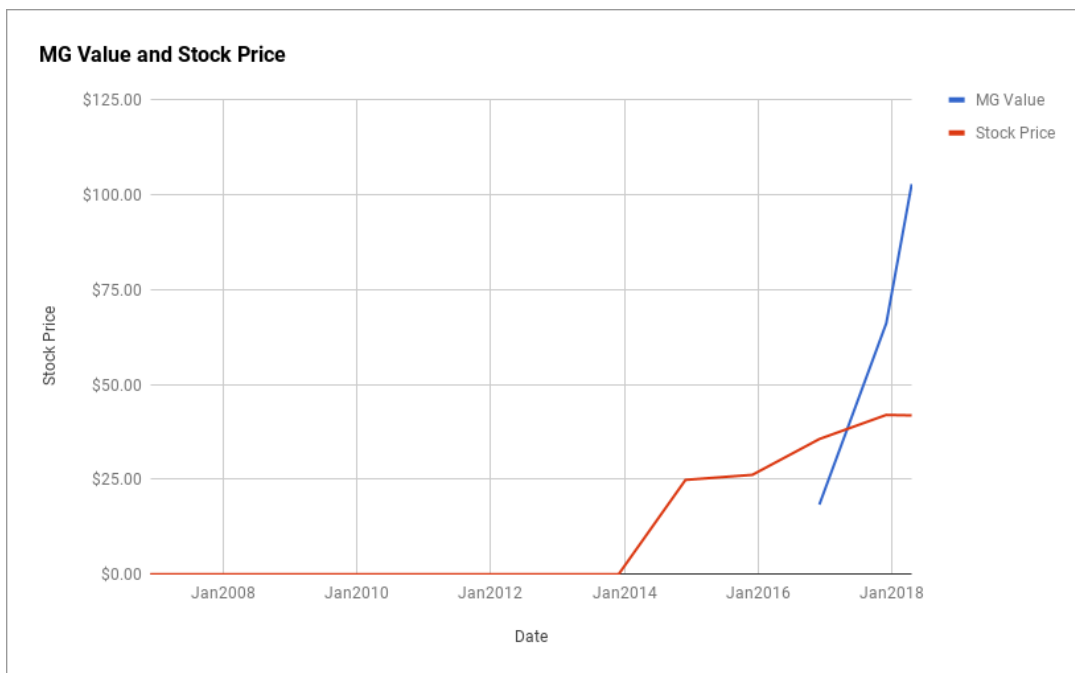
Stage 3: Information for Further Research

Graham Number	\$55.04
PEmg	15.67
PB Ratio	1.02
Dividend Yield	1.53%
Number of Consecutive Years of Dividend Growth	4

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	\$3.30	Next Fiscal Year Estimate	\$2.67
Dec2017	\$3.25	Dec2017	\$1.72
Dec2016	\$1.97	Dec2016	\$0.64
Dec2015	\$1.55	Dec2015	-\$0.14
Dec2014	\$1.55	Dec2014	-\$0.89
Dec2013	-\$6.12	Dec2013	-\$1.73
Dec2012	\$1.15	Dec2012	\$0.38
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00		
Dec2000	\$0.00		
Dec1999	\$0.00		
Dec1998	\$0.00		
		Balance Sheet Information 12/1/2017	
		Long-Term Debt & Capital Lease Obligation	\$11,765,000,000
		Total Assets	\$152,336,000,000
		Intangible Assets	\$6,887,000,000
		Total Liabilities	\$132,066,000,000
		Shares Outstanding (Diluted Average)	493,552,000





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 [Citizens Financial Group Inc Valuation – Initial Coverage \\$CFG](#)

Other ModernGraham posts about related companies [M&T Bank Corp Valuation – April 2018 \\$MTB](#)
[Bank of America Corp Valuation – March 2018 \\$BAC](#)
[Fifth Third Bancorp Valuation – March 2018 \\$FITB](#)
[Regions Financial Corp Valuation – March 2018 \\$RF](#)
[Huntington Bancshares Inc Valuation – March 2018 \\$HBAN](#)
[Zions Bancorp Valuation – March 2018 \\$ZION](#)
[State Street Corp Valuation – March 2018 \\$STT](#)
[PNC Financial Services Group Inc Valuation – March 2018 \\$PNC](#)
[KeyCorp Valuation – March 2018 \\$KEY](#)
[Canadian Western Bank Valuation – March 2018 \\$TSE-CWB](#)