

# ModernGraham Valuation

Company Name:

U.S. Bancorp

Company Ticker USB

Date of Analysis

5/14/2018



## 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	\$83,522,451,199	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		107.56%	Pass
5. Moderate PEmg Ratio	PEmg < 20	14.50	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.72	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	3.53
MG Growth Estimate	3.66%
<b>MG Value</b>	<b>\$55.86</b>
MG Value based on 3% Growth	\$51.19
MG Value based on 0% Growth	\$30.01
Market Implied Growth Rate	3.00%

### MG Opinion

Current Price	\$51.18
% of Intrinsic Value	91.62%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>B</b>

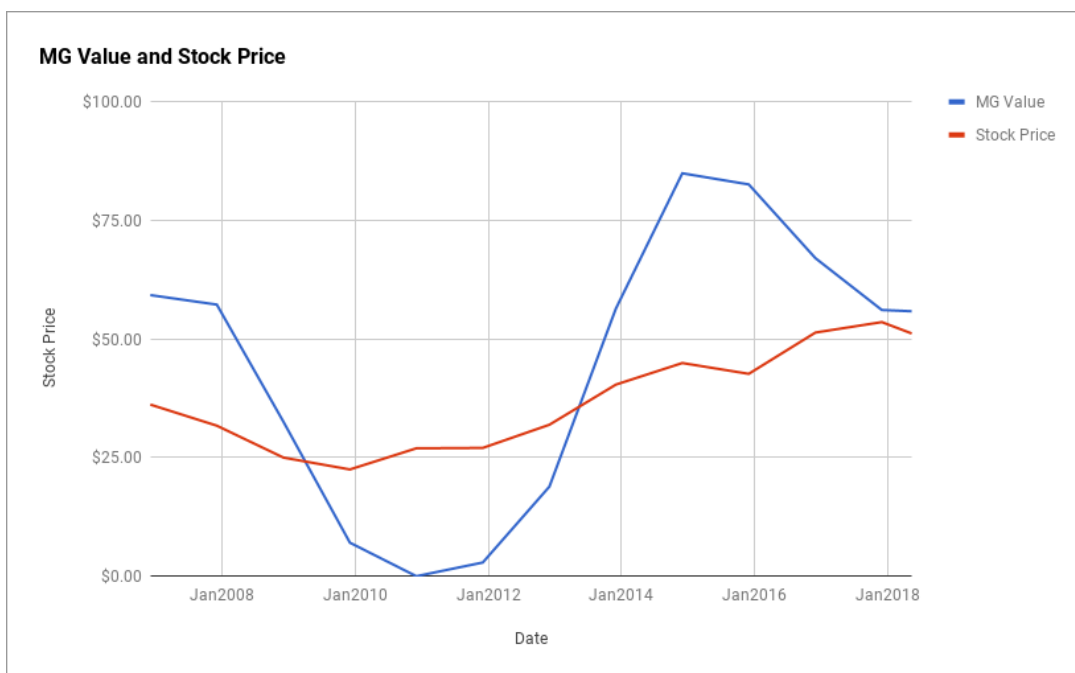
## Stage 3: Information for Further Research

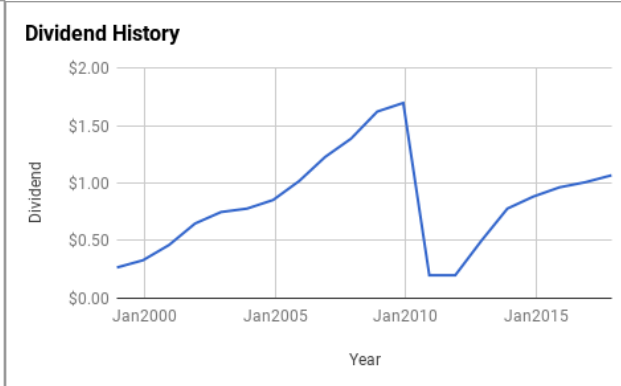
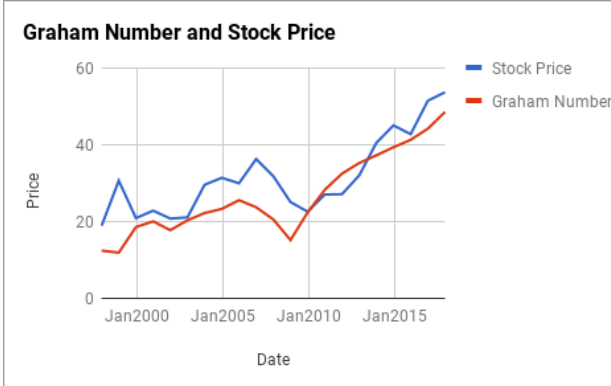
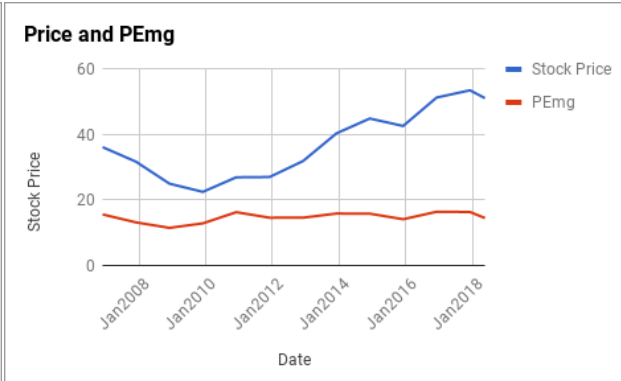
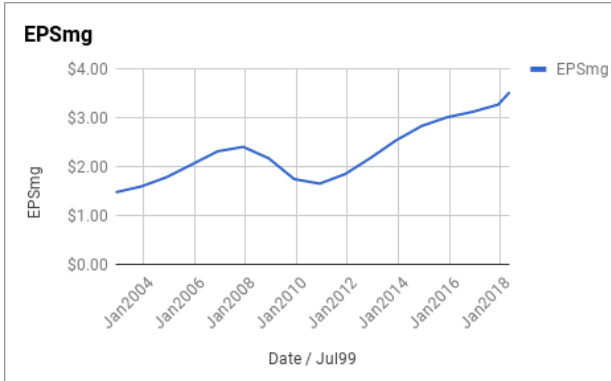
Graham Number	\$48.45
PEmg	14.50
PB Ratio	1.72
Dividend Yield	2.27%
Number of Consecutive Years of Dividend Growth	7

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.96	Next Fiscal Year Estimate	\$3.53
Dec2017	\$3.51	Dec2017	\$3.28
Dec2016	\$3.24	Dec2016	\$3.13
Dec2015	\$3.16	Dec2015	\$3.02
Dec2014	\$3.08	Dec2014	\$2.84
Dec2013	\$3.00	Dec2013	\$2.54
Dec2012	\$2.84	Dec2012	\$2.19
Dec2011	\$2.46	Dec2011	\$1.85
Dec2010	\$1.73	Dec2010	\$1.66
Dec2009	\$0.97	Dec2009	\$1.75
Dec2008	\$1.61	Dec2008	\$2.17
Dec2007	\$2.43	Dec2007	\$2.41
Dec2006	\$2.61	Dec2006	\$2.32
Dec2005	\$2.42	Dec2005	\$2.05
Dec2004	\$2.18	Dec2004	\$1.79
Dec2003	\$1.93	Dec2003	\$1.60
Dec2002	\$1.65	Dec2002	\$1.48
Dec2001	\$0.88		
Dec2000	\$1.50		
Dec1999	\$2.06		
Dec1998	\$1.78		
		<b>Balance Sheet Information</b>	<b>3/1/2018</b>
		Long-Term Debt & Capital Lease Obligation	\$33,201,000,000
		Total Assets	\$460,119,000,000
		Intangible Assets	\$12,828,000,000
		Total Liabilities	\$410,932,000,000
		Shares Outstanding (Diluted Average)	1,657,000,000





**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**
- [12 Best Stocks for Value Investors This Week – 2/4/17](#)
  - [U.S. Bancorp Valuation – February 2017 \\$USB](#)
  - [15 Best Undervalued Stocks of the Week – 8/20/16](#)
  - [US Bancorp Valuation – August 2016 \\$USB](#)
  - [Best Stocks to Invest In: the Bank Industry – August 2016](#)

- Other ModernGraham posts about related companies**
- [Bank of New York Mellon Corp Valuation – May 2018 \\$BK](#)
  - [Citizens Financial Group Inc Valuation – April 2018 \\$CFG](#)
  - [BB&T Corporation Valuation – April 2018 \\$BBT](#)
  - [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](#)