

ModernGraham Valuation

Charles Schwab
Corp



Company Name:

Company Ticker SCHW

Date of Analysis

6/11/2018

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	\$77,456,710,587	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	195.45%	Pass
4. Earnings Growth	PEmg < 20	34.75	Fail
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.05	Fail
6. Moderate Price to Assets			

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	1.65
MG Growth Estimate	15.00%
MG Value	\$63.60
MG Value based on 3% Growth	\$23.95
MG Value based on 0% Growth	\$14.04
Market Implied Growth Rate	13.13%

MG Opinion

Current Price	\$57.41
% of Intrinsic Value	90.26%
Opinion	Fairly Valued
MG Grade	C

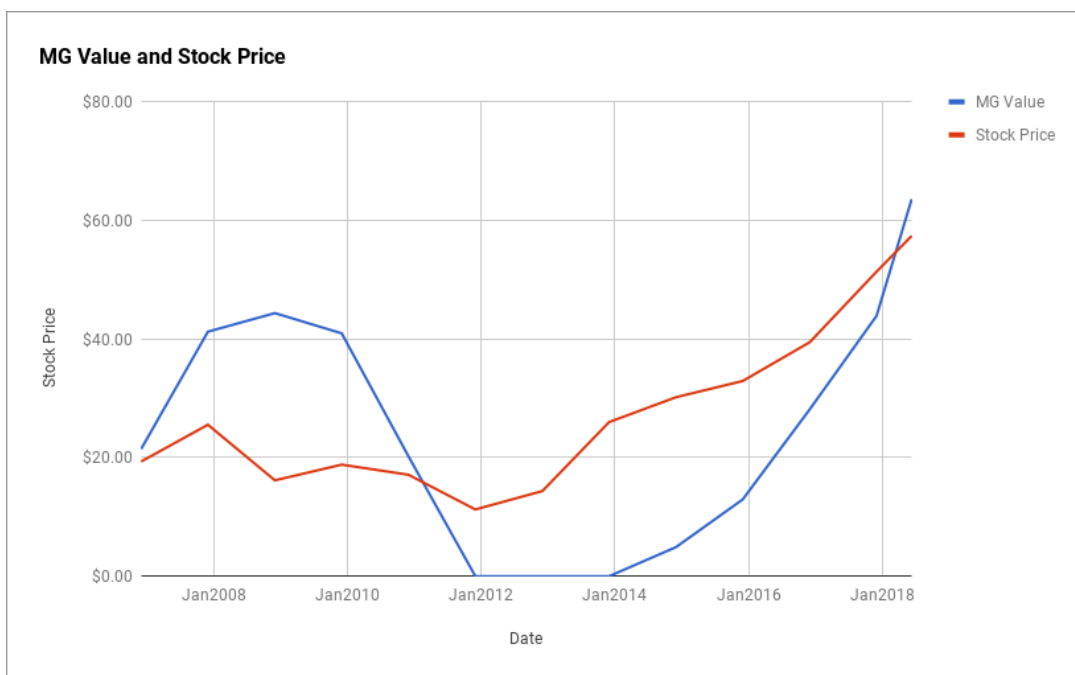
Stage 3: Information for Further Research

Graham Number	\$24.49
PEmg	34.75
PB Ratio	4.05
Dividend Yield	0.56%
Number of Consecutive Years of Dividend Growth	2

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	\$2.28	Next Fiscal Year Estimate	\$1.65
Dec2017	\$1.61	Dec2017	\$1.27
Dec2016	\$1.31	Dec2016	\$1.05
Dec2015	\$1.03	Dec2015	\$0.89
Dec2014	\$0.95	Dec2014	\$0.78
Dec2013	\$0.78	Dec2013	\$0.68
Dec2012	\$0.69	Dec2012	\$0.65
Dec2011	\$0.70	Dec2011	\$0.74
Dec2010	\$0.38	Dec2010	\$0.84
Dec2009	\$0.68	Dec2009	\$1.06
Dec2008	\$1.05	Dec2008	\$1.15
Dec2007	\$1.97	Dec2007	\$1.07
Dec2006	\$0.95	Dec2006	\$0.56
Dec2005	\$0.55	Dec2005	\$0.33
Dec2004	\$0.21	Dec2004	\$0.23
Dec2003	\$0.35	Dec2003	\$0.27
Dec2002	\$0.08	Dec2002	\$0.25
Dec2001	\$0.14	Balance Sheet Information 3/1/2018	
Dec2000	\$0.51	Long-Term Debt & Capital Lease Obligation	\$4,128,000,000
Dec1999	\$0.49	Total Assets	\$248,320,000,000
Dec1998	\$0.28	Intangible Assets	\$1,328,000,000
		Total Liabilities	\$228,990,000,000
		Shares Outstanding (Diluted Average)	1,362,000,000





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.

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[17 Companies in the Spotlight This Week – 3/29/14](#)
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[S&P Global Inc Valuation – May 2018 \\$SPGI](#)
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