

ModernGraham Valuation

Company Name:

Synchrony Financial

Company Ticker SYF

Date of Analysis

6/5/2018



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	\$26,416,479,565	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
4. Earnings Growth		27833233.33%	Pass
5. Moderate PEmg Ratio	PEmg < 20	12.50	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.88	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	2.80
MG Growth Estimate	15.00%
MG Value	\$107.77
MG Value based on 3% Growth	\$40.59
MG Value based on 0% Growth	\$23.79
Market Implied Growth Rate	2.00%

MG Opinion

Current Price	\$35.00
% of Intrinsic Value	32.48%
Opinion	Undervalued
MG Grade	B+

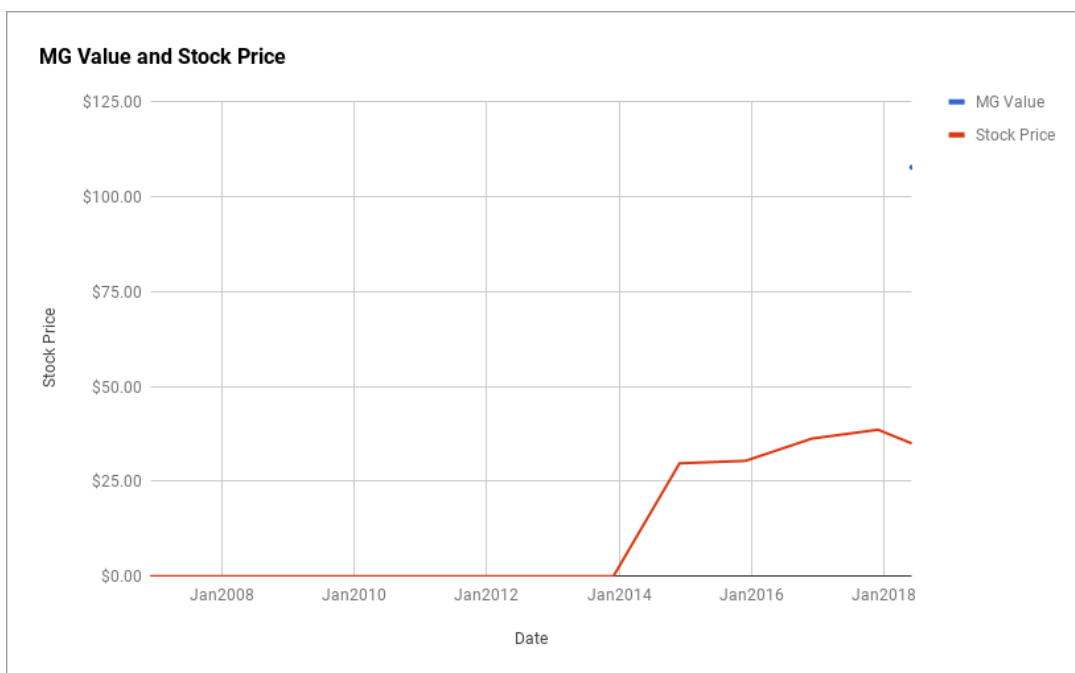
Stage 3: Information for Further Research

Graham Number	\$36.58
PEmg	12.50
PB Ratio	1.88
Dividend Yield	1.60%
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		Next Fiscal Year Estimate	\$2.80
Dec2017	\$3.22	Dec2017	\$2.43
Dec2016	\$2.42	Dec2016	\$2.17
Dec2015	\$2.71	Dec2015	\$1.62
Dec2014	\$2.65	Dec2014	\$0.93
Dec2013	\$2.78	Dec2013	\$0.00
Dec2012	\$0.00	Dec2012	\$0.00
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	Balance Sheet Information 3/1/2018	
Dec2000	\$0.00	Long-Term Debt & Capital Lease Obligation	\$21,015,000,000
Dec1999	\$0.00	Total Assets	\$95,559,000,000
Dec1998	\$0.00	Intangible Assets	\$1,771,000,000
		Total Liabilities	\$81,203,000,000
		Shares Outstanding (Diluted Average)	770,300,000





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:

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[11 Best Stocks for Value Investors This Week – 3/4/17](#)
[Synchrony Financial Valuation – Initial Coverage \\$SYF](#)

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[Northern Trust Corp Valuation – April 2018 \\$NTRS](#)
[Nasdaq Inc Valuation – April 2018 \\$NDAQ](#)
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