

# ModernGraham Valuation

Company Name:

Wells Fargo & Co

Company Ticker WFC

Date of Analysis

6/27/2018



## 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	\$260,454,214,103	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	81.86%	Pass
4. Earnings Growth	PEmg < 20	12.95	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.28	Pass
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	Yes
Enterprising	Yes

## Stage 2: Determination of Intrinsic Value

EPSmg	4.13
MG Growth Estimate	2.20%
<b>MG Value</b>	<b>\$53.25</b>
MG Value based on 3% Growth	\$59.85
MG Value based on 0% Growth	\$35.08
Market Implied Growth Rate	2.22%

### MG Opinion

Current Price	\$53.43
% of Intrinsic Value	100.35%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>A-</b>

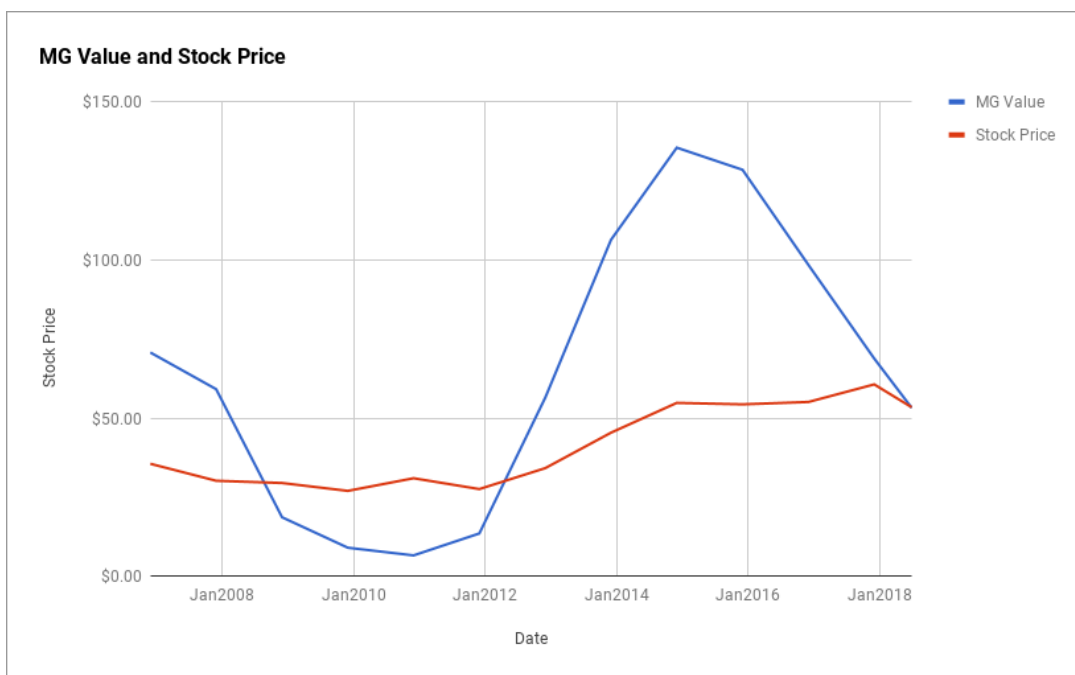
## Stage 3: Information for Further Research

Graham Number	\$59.51
PEmg	12.95
PB Ratio	1.28
Dividend Yield	2.88%
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		Next Fiscal Year Estimate	
	\$4.24		\$4.13
Dec2017	\$4.10	Dec2017	\$4.06
Dec2016	\$3.99	Dec2016	\$3.99
Dec2015	\$4.12	Dec2015	\$3.88
Dec2014	\$4.10	Dec2014	\$3.60
Dec2013	\$3.89	Dec2013	\$3.17
Dec2012	\$3.36	Dec2012	\$2.59
Dec2011	\$2.82	Dec2011	\$2.13
Dec2010	\$2.21	Dec2010	\$1.83
Dec2009	\$1.75	Dec2009	\$1.73
Dec2008	\$0.70	Dec2008	\$1.80
Dec2007	\$2.38	Dec2007	\$2.30
Dec2006	\$2.47	Dec2006	\$2.18
Dec2005	\$2.25	Dec2005	\$1.94
Dec2004	\$2.05	Dec2004	\$1.69
Dec2003	\$1.83	Dec2003	\$1.46
Dec2002	\$1.58	Dec2002	\$1.21
Dec2001	\$0.99	<b>Balance Sheet Information 3/1/2018</b>	
		Long-Term Debt & Capital Lease Obligation	\$227,302,000,000
Dec2000	\$1.16	Total Assets	\$1,915,388,000,000
Dec1999	\$1.15	Intangible Assets	\$44,240,000,000
Dec1998	\$0.59	Total Liabilities	\$1,709,478,000,000
		Shares Outstanding (Diluted Average)	4,930,700,000





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

- [10 Undervalued Companies for the Defensive Dividend Stock Investor – June 2018](#)
- [Wells Fargo & Co Valuation – August 2017 \\$WFC](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – January 2017](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – December 2016](#)
- [10 Best Dividend Paying Stocks for the Defensive Investor – August 2016](#)

Other  
ModernGraham  
posts about related  
companies

- [SunTrust Banks Inc Valuation – June 2018 \\$STI](#)
- [Comerica Inc Valuation – June 2018 \\$CMA](#)
- [SVB Financial Group Valuation – June 2018 \\$SIVB](#)
- [US Bancorp Valuation – May 2018 \\$USB](#)
- [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](#)