

ModernGraham Valuation

City Holding
Company



Company Name:

Company Ticker CHCO

Date of Analysis

7/23/2018

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	\$1,223,181,659	Fail
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	48.59%	Pass
5. Moderate PEmg Ratio	PEmg < 20	20.84	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.46	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	3.88
MG Growth Estimate	4.52%
MG Value	\$67.98
MG Value based on 3% Growth	\$56.22
MG Value based on 0% Growth	\$32.96
Market Implied Growth Rate	6.17%

MG Opinion

Current Price	\$80.81
% of Intrinsic Value	118.87%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Graham Number	\$58.27
PEmg	20.84
PB Ratio	2.46
Dividend Yield	2.17%
Number of Consecutive Years of Dividend Growth	6

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	\$4.69	Next Fiscal Year Estimate	\$3.88
Dec2017	\$3.48	Dec2017	\$3.44
Dec2016	\$3.45	Dec2016	\$3.35
Dec2015	\$3.53	Dec2015	\$3.21
Dec2014	\$3.38	Dec2014	\$2.98
Dec2013	\$3.04	Dec2013	\$2.75
Dec2012	\$2.61	Dec2012	\$2.55
Dec2011	\$2.67	Dec2011	\$2.52
Dec2010	\$2.47	Dec2010	\$2.49
Dec2009	\$2.68	Dec2009	\$2.55
Dec2008	\$1.74	Dec2008	\$2.54
Dec2007	\$3.01	Dec2007	\$2.91
Dec2006	\$2.99	Dec2006	\$2.77
Dec2005	\$2.84	Dec2005	\$2.35
Dec2004	\$2.75	Dec2004	\$1.63
Dec2003	\$2.58	Dec2003	\$0.78
Dec2002	\$1.90	Dec2002	-\$0.16
Dec2001	-\$1.54		
Dec2000	-\$2.27		
Dec1999	\$0.37		
Dec1998	\$0.31		
		Balance Sheet Information	6/1/2018
		Long-Term Debt & Capital Lease Obligation	\$16,495,000
		Total Assets	\$4,374,383,000
		Intangible Assets	\$78,342,000
		Total Liabilities	\$3,870,629,000
		Shares Outstanding (Diluted Average)	15,345,000





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 [City Holding Company Valuation – Initial Coverage \\$CHCO](#)

Other ModernGraham posts about related companies

- [Wells Fargo & Co Valuation – June 2018 \\$WFC](#)
- [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](#)