

ModernGraham Valuation

Central Pacific
Financial Corp.



Company Name:

Company Ticker CPF

Date of Analysis

8/7/2018

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	\$817,252,932	Fail
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Fail
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-101.43%	Fail
5. Moderate PEmg Ratio	PEmg < 20	18.10	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	1.54
MG Growth Estimate	15.00%
MG Value	\$59.11
MG Value based on 3% Growth	\$22.26
MG Value based on 0% Growth	\$13.05
Market Implied Growth Rate	4.80%

MG Opinion

Current Price	\$27.79
% of Intrinsic Value	47.01%
Opinion	Undervalued
MG Grade	B

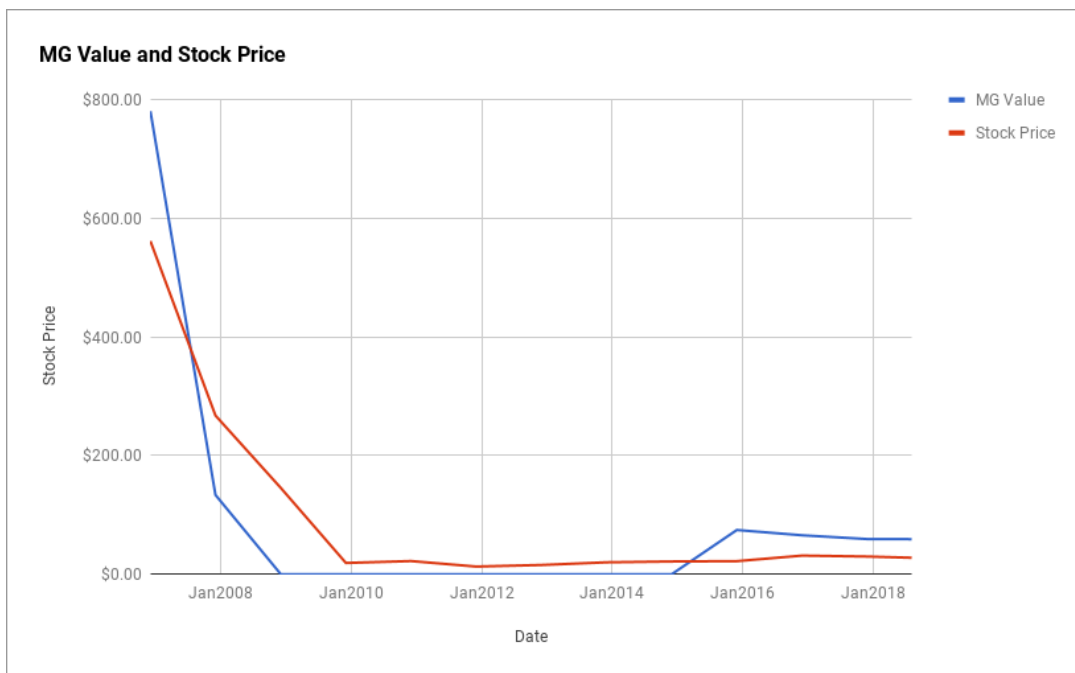
Stage 3: Information for Further Research

Graham Number	\$26.40
PEmg	18.10
PB Ratio	1.72
Dividend Yield	2.52%
Number of Consecutive Years of Dividend Growth	5

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	\$1.86	Next Fiscal Year Estimate	\$1.54
Dec2017	\$1.34	Dec2017	\$1.54
Dec2016	\$1.50	Dec2016	\$1.71
Dec2015	\$1.40	Dec2015	\$1.94
Dec2014	\$1.07	Dec2014	-\$9.30
Dec2013	\$4.07	Dec2013	-\$31.16
Dec2012	\$1.13	Dec2012	-\$58.95
Dec2011	\$3.31	Dec2011	-\$85.66
Dec2010	-\$171.13	Dec2010	-\$110.84
Dec2009	-\$159.89	Dec2009	-\$64.15
Dec2008	-\$70.03	Dec2008	-\$8.75
Dec2007	\$2.76	Dec2007	\$23.37
Dec2006	\$37.26	Dec2006	\$33.02
Dec2005	\$34.51	Dec2005	\$30.34
Dec2004	\$27.11	Dec2004	\$27.32
Dec2003	\$30.01	Dec2003	\$25.76
Dec2002	\$29.58	Dec2002	\$21.94
Dec2001	\$24.94		
Dec2000	\$15.51		
Dec1999	\$12.18		
Dec1998	\$10.51		
		Balance Sheet Information	6/1/2018
		Long-Term Debt & Capital Lease Obligation	\$179,785,000
		Total Assets	\$5,681,519,000
		Intangible Assets	\$15,756,000
		Total Liabilities	\$5,200,851,000
		Shares Outstanding (Diluted Average)	29,715,000





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

- [14 Best Stocks for Value Investors This Week – 2/11/17](#)
- [Central Pacific Financial Corp Valuation – Initial Coverage \\$CPF](#)

Other ModernGraham posts about related companies

- [Columbia Banking System Inc Valuation – August 2018 \\$COLB](#)
- [Canadian Imperial Bank of Commerce Valuation – July 2018 \\$TSE:CM](#)
- [ServisFirst Bancshares Inc Valuation – July 2018 \\$SFBS](#)
- [Cullen/Frost Bankers Inc Valuation – July 2018 \\$CFR](#)
- [Signature Bank Valuation – July 2018 \\$SBNY](#)
- [City Holding Co Valuation – July 2018 \\$CHCO](#)
- [Southside Bancshares Inc Valuation – July 2018 \\$SBSI](#)
- [Independent Bank Corp Valuation – July 2018 \\$INDB](#)
- [Wells Fargo & Co Valuation – June 2018 \\$WFC](#)
- [SunTrust Banks Inc Valuation – June 2018 \\$STI](#)