

ModernGraham Valuation

Company Name:

Company Ticker CUBI
Date of Analysis

Customers Bancorp
Inc

9/2/2018



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	\$786,388,942	Fail
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		79.25%	Pass
5. Moderate PEmg Ratio	PEmg < 20	11.53	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.85	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	Fail
3. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	2.14
MG Growth Estimate	7.18%
MG Value	\$48.98
MG Value based on 3% Growth	\$31.06
MG Value based on 0% Growth	\$18.21
Market Implied Growth Rate	1.52%

MG Opinion

Current Price	\$24.70
% of Intrinsic Value	50.42%
Opinion	Undervalued
MG Grade	C+

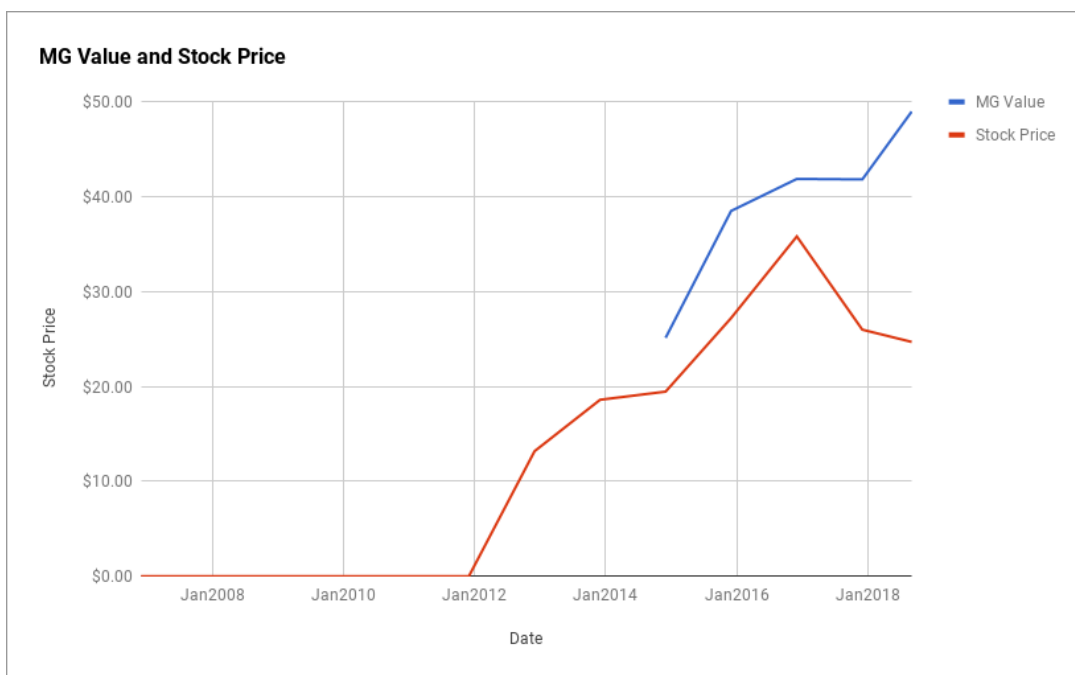
Stage 3: Information for Further Research

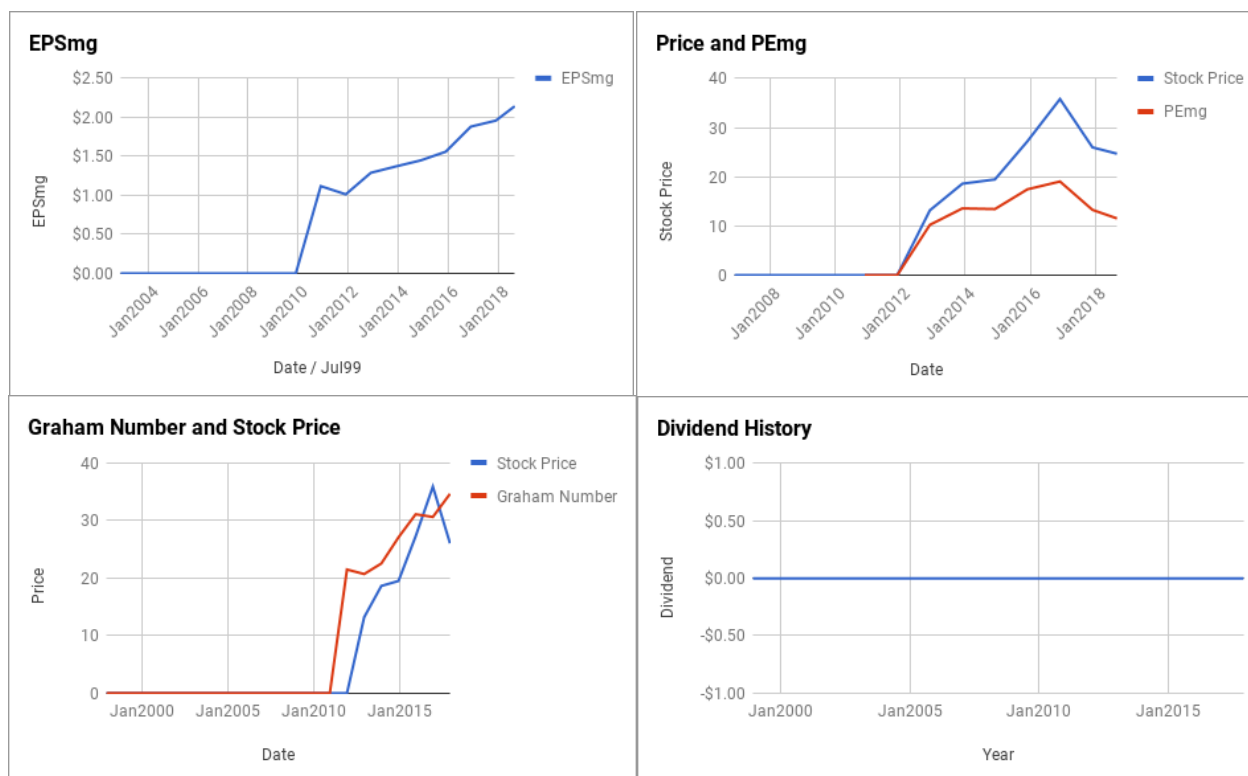
Graham Number	\$34.58
PEmg	11.53
PB Ratio	0.85
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$2.37	Next Fiscal Year Estimate	\$2.14
Dec2017	\$1.97	Dec2017	\$1.96
Dec2016	\$2.31	Dec2016	\$1.88
Dec2015	\$1.96	Dec2015	\$1.56
Dec2014	\$1.55	Dec2014	\$1.45
Dec2013	\$1.30	Dec2013	\$1.37
Dec2012	\$1.57	Dec2012	\$1.29
Dec2011	\$0.36	Dec2011	\$1.01
Dec2010	\$3.36	Dec2010	\$1.12
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 6/1/2018	
Dec2000	\$0.00	Long-Term Debt & Capital Lease Obligation	\$2,685,614,000
Dec1999	\$0.00	Total Assets	\$11,092,846,000
Dec1998	\$0.00	Intangible Assets	\$17,150,000
		Total Liabilities	\$10,156,619,000
		Shares Outstanding (Diluted Average)	32,381,000





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

[Customers Bancorp Inc Valuation – Initial Coverage \\$CUBI](#)

Other
ModernGraham
posts about related
companies

[Central Pacific Financial Corp Valuation – August 2018 \\$CPF](#)
[Synovus Financial Corp Valuation – August 2018 \\$SNV](#)
[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](#)