

ModernGraham Valuation

Company Name:

Company Ticker COF
Date of Analysis

Capital One
Financial Corp.

1/4/2019



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	\$37,930,481,717	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	61.62%	Pass
4. Earnings Growth	PEmg < 20	10.39	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.75	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	7.60
MG Growth Estimate	1.52%
MG Value	\$87.73
MG Value based on 3% Growth	\$110.16
MG Value based on 0% Growth	\$64.58
Market Implied Growth Rate	0.95%

MG Opinion

Current Price	\$78.94
% of Intrinsic Value	89.98%
Opinion	Fairly Valued
MG Grade	A-

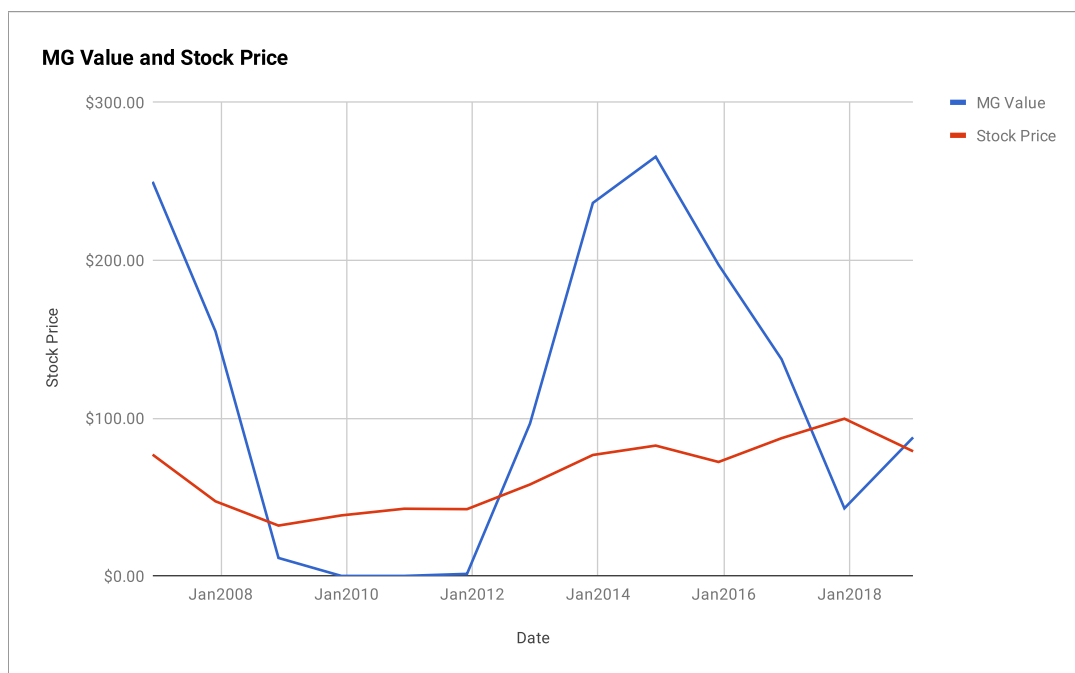
Stage 3: Information for Further Research

Graham Number	\$161.29
PEmg	10.39
PB Ratio	0.75
Dividend Yield	2.03%
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	\$11.52	Next Fiscal Year Estimate	\$7.60
Dec2017	\$3.49	Dec2017	\$5.89
Dec2016	\$6.89	Dec2016	\$7.03
Dec2015	\$7.07	Dec2015	\$7.03
Dec2014	\$7.59	Dec2014	\$6.90
Dec2013	\$6.89	Dec2013	\$6.14
Dec2012	\$6.11	Dec2012	\$5.14
Dec2011	\$6.80	Dec2011	\$4.25
Dec2010	\$6.01	Dec2010	\$3.20
Dec2009	\$0.74	Dec2009	\$2.45
Dec2008	-\$0.21	Dec2008	\$3.82
Dec2007	\$3.97	Dec2007	\$5.85
Dec2006	\$7.62	Dec2006	\$6.49
Dec2005	\$6.73	Dec2005	\$5.59
Dec2004	\$6.21	Dec2004	\$4.69
Dec2003	\$4.85	Dec2003	\$3.66
Dec2002	\$3.93	Dec2002	\$2.85
Dec2001	\$2.91	Balance Sheet Information 9/1/2018	
Dec2000	\$2.24	Long-Term Debt & Capital Lease Obligation	\$51,821,000,000
Dec1999	\$1.72	Total Assets	\$362,909,000,000
Dec1998	\$1.32	Intangible Assets	\$14,513,000,000
		Total Liabilities	\$312,271,000,000
		Shares Outstanding (Diluted Average)	480,900,000





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**

[Capital One Financial Corp Valuation – March 2018 \\$COF](#)
[Benjamin Graham Would Love These 10 Companies Today](#)
[9 Best Stocks For Value Investors This Week – 7/8/16](#)
[Best Stocks Below Their Graham Number – August 2017](#)
[Best Stocks Below Their Graham Number – January 2017](#)

**Other
ModernGraham
posts about related
companies**

[Total System Services Inc Valuation – December 2018 \\$TSS](#)
[Goldman Sachs Group Inc Valuation – November 2018 \\$GS](#)
[KKR & Co Inc Valuation – September 2018 \\$KKR](#)
[CorVel Corp Valuation – August 2018 \\$CRVL](#)
[Jones Lang LaSalle Inc Valuation – August 2018 \\$JLL](#)
[Investment Technology Group Inc Valuation – July 2018 \\$ITG](#)
[Stifel Financial Corp Valuation – July 2018 \\$SFI](#)
[CI Financial Corp Valuation – July 2018 \\$TSE:CIX](#)
[INTL FCStone Inc Valuation – July 2018 \\$INTL](#)
[SEI Investments Co Valuation – July 2018 \\$SEIC](#)