

ModernGraham Valuation

Company Name:

KeyCorp

Company Ticker KEY

Date of Analysis

1/13/2019



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	\$16,511,098,839	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
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		
4. Earnings Growth		-455.34%	Fail
5. Moderate PEmg Ratio	PEmg < 20	12.83	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.10	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	1.24
MG Growth Estimate	5.46%
MG Value	\$24.16
MG Value based on 3% Growth	\$18.04
MG Value based on 0% Growth	\$10.57
Market Implied Growth Rate	2.16%

MG Opinion

Current Price	\$15.96
% of Intrinsic Value	66.06%
Opinion	Undervalued
MG Grade	A-

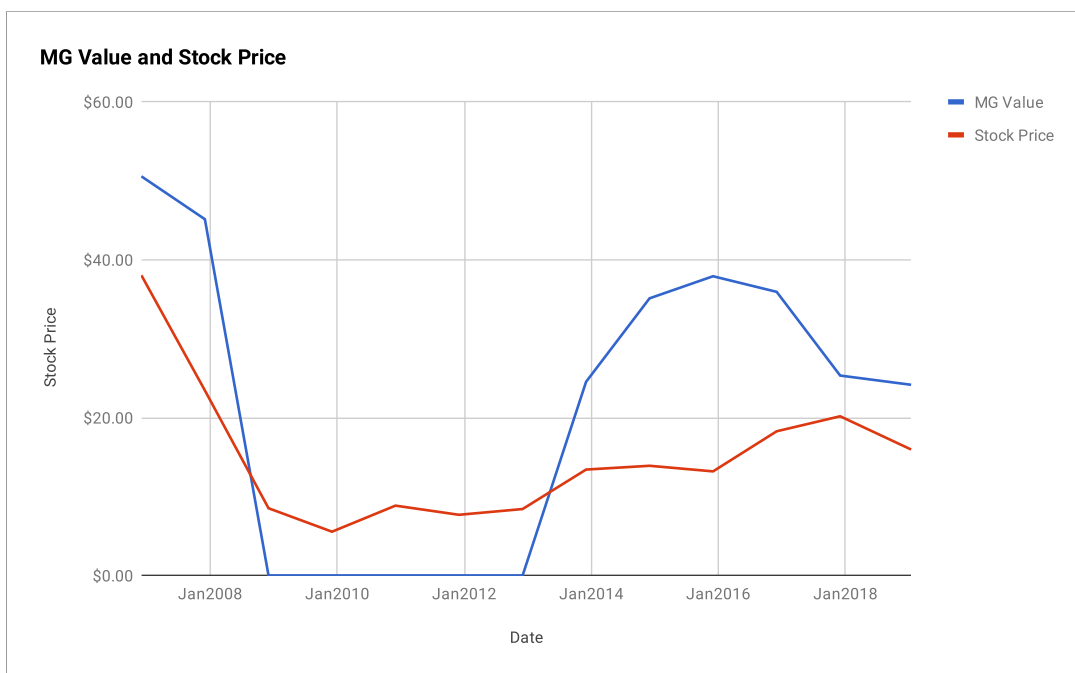
Stage 3: Information for Further Research

Graham Number	\$22.58
PEmg	12.83
PB Ratio	1.10
Dividend Yield	2.38%
Number of Consecutive Years of Dividend Growth	7

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	\$1.73	Next Fiscal Year Estimate	\$1.24
Dec2017	\$1.13	Dec2017	\$1.00
Dec2016	\$0.80	Dec2016	\$0.93
Dec2015	\$1.05	Dec2015	\$0.98
Dec2014	\$0.99	Dec2014	\$0.91
Dec2013	\$0.97	Dec2013	\$0.64
Dec2012	\$0.89	Dec2012	\$0.08
Dec2011	\$0.87	Dec2011	-\$0.35
Dec2010	\$0.44	Dec2010	-\$0.67
Dec2009	-\$2.34	Dec2009	-\$0.69
Dec2008	-\$3.36	Dec2008	\$0.53
Dec2007	\$2.32	Dec2007	\$2.45
Dec2006	\$2.57	Dec2006	\$2.48
Dec2005	\$2.73	Dec2005	\$2.27
Dec2004	\$2.30	Dec2004	\$1.98
Dec2003	\$2.12	Dec2003	\$1.84
Dec2002	\$2.27	Dec2002	\$1.77
Dec2001	\$0.31	Balance Sheet Information 9/1/2018	
Dec2000	\$2.30	Long-Term Debt & Capital Lease Obligation	\$13,849,000,000
Dec1999	\$2.45	Total Assets	\$138,805,000,000
Dec1998	\$2.23	Intangible Assets	\$2,854,000,000
		Total Liabilities	\$123,595,000,000
		Shares Outstanding (Diluted Average)	1,049,976,000





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

- [KeyCorp Valuation – March 2018 \\$KEY](#)
- [9 Best Stocks For Value Investors This Week – 6/24/16](#)
- [KeyCorp Valuation – June 2016 \\$KEY](#)
- [Best Stocks to Invest In: the Bank Industry – August 2016](#)
- [Stocks Trading Below Their Graham Number – July 2016](#)

Other ModernGraham posts about related companies

- [Citigroup Inc Valuation – January 2019 \\$C](#)
- [People's United Financial Inc Valuation – January 2019 \\$PBCT](#)
- [JPMorgan Chase & Co Valuation – November 2018 \\$JPM](#)
- [CVB Financial Corp Valuation – September 2018 \\$CVBF](#)
- [Customers Bancorp Inc Valuation – September 2018 \\$CUBI](#)
- [Sterling Bancorp Valuation – August 2018 \\$STL](#)
- [S&T Bancorp Inc Valuation – August 2018 \\$STBA](#)
- [Central Pacific Financial Corp Valuation – August 2018 \\$CPF](#)
- [Synovus Financial Corp Valuation – August 2018 \\$SNV](#)
- [Columbia Banking System Inc Valuation – August 2018 \\$COLB](#)