

# ModernGraham Valuation

People's United  
Financial, Inc.



Company Name:

Company Ticker PBCT

Date of Analysis

1/3/2019

## 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	\$5,586,245,271	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		
4. Earnings Growth		192.59%	Pass
5. Moderate PEmg Ratio	PEmg < 20	14.28	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.86	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

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	1.04
MG Growth Estimate	6.90%
<b>MG Value</b>	<b>\$23.12</b>
MG Value based on 3% Growth	\$15.03
MG Value based on 0% Growth	\$8.81
Market Implied Growth Rate	2.89%

### MG Opinion

Current Price	\$14.80
% of Intrinsic Value	64.01%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>A+</b>

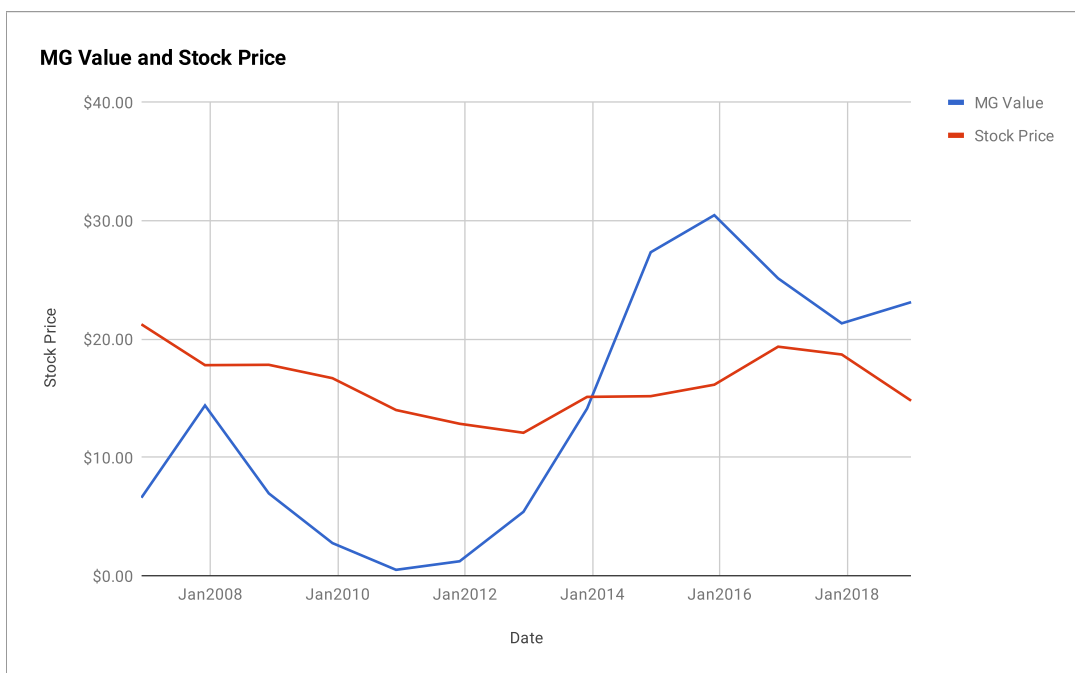
## Stage 3: Information for Further Research

Graham Number	\$21.65
PEmg	14.28
PB Ratio	0.86
Dividend Yield	4.65%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.27	Next Fiscal Year Estimate	\$1.04
Dec2017	\$0.97	Dec2017	\$0.90
Dec2016	\$0.92	Dec2016	\$0.85
Dec2015	\$0.86	Dec2015	\$0.79
Dec2014	\$0.84	Dec2014	\$0.71
Dec2013	\$0.74	Dec2013	\$0.60
Dec2012	\$0.72	Dec2012	\$0.50
Dec2011	\$0.55	Dec2011	\$0.39
Dec2010	\$0.23	Dec2010	\$0.34
Dec2009	\$0.30	Dec2009	\$0.40
Dec2008	\$0.41	Dec2008	\$0.46
Dec2007	\$0.52	Dec2007	\$0.48
Dec2006	\$0.41	Dec2006	\$0.44
Dec2005	\$0.46	Dec2005	\$0.42
Dec2004	\$0.68	Dec2004	\$0.38
Dec2003	\$0.22	Dec2003	\$0.28
Dec2002	\$0.19	Dec2002	\$0.36
Dec2001	\$0.26		
Dec2000	\$0.38		
Dec1999	\$0.81		
Dec1998	\$0.64		
		<b>Balance Sheet Information</b>	<b>9/1/2018</b>
		Long-Term Debt & Capital Lease Obligation	\$3,281,300,000
		Total Assets	\$44,133,200,000
		Intangible Assets	\$2,568,900,000
		Total Liabilities	\$38,174,300,000
		Shares Outstanding (Diluted Average)	345,000,000





**Disclaimer:**

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author held a long position in PBCT 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**

- [Best Dividend Paying Stocks for Dividend Growth Investors – August 2018](#)
- [Best Dividend Paying Stocks for Dividend Growth Investors – June 2018](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – June 2018](#)
- [Best Dividend Paying Stocks for Dividend Growth Investors – April 2018](#)
- [People’s United Financial Inc Valuation – March 2018 \\$PBCT](#)

**Other ModernGraham posts about related companies**

- [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](#)
- [Canadian Imperial Bank of Commerce Valuation – July 2018 \\$TSE:CM](#)
- [ServisFirst Bancshares Inc Valuation – July 2018 \\$SFBS](#)