

ModernGraham Valuation

SunTrust Banks,
Inc.



Company Name:

Company Ticker STI

Date of Analysis

3/31/2019

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	\$26,262,864,675	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		261.38%	Pass
5. Moderate PEmg Ratio	PEmg < 20	11.90	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.11	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	4.98
MG Growth Estimate	9.27%
MG Value	\$134.65
MG Value based on 3% Growth	\$72.21
MG Value based on 0% Growth	\$42.33
Market Implied Growth Rate	1.70%

MG Opinion

Current Price	\$59.25
% of Intrinsic Value	44.00%
Opinion	Undervalued
MG Grade	A-

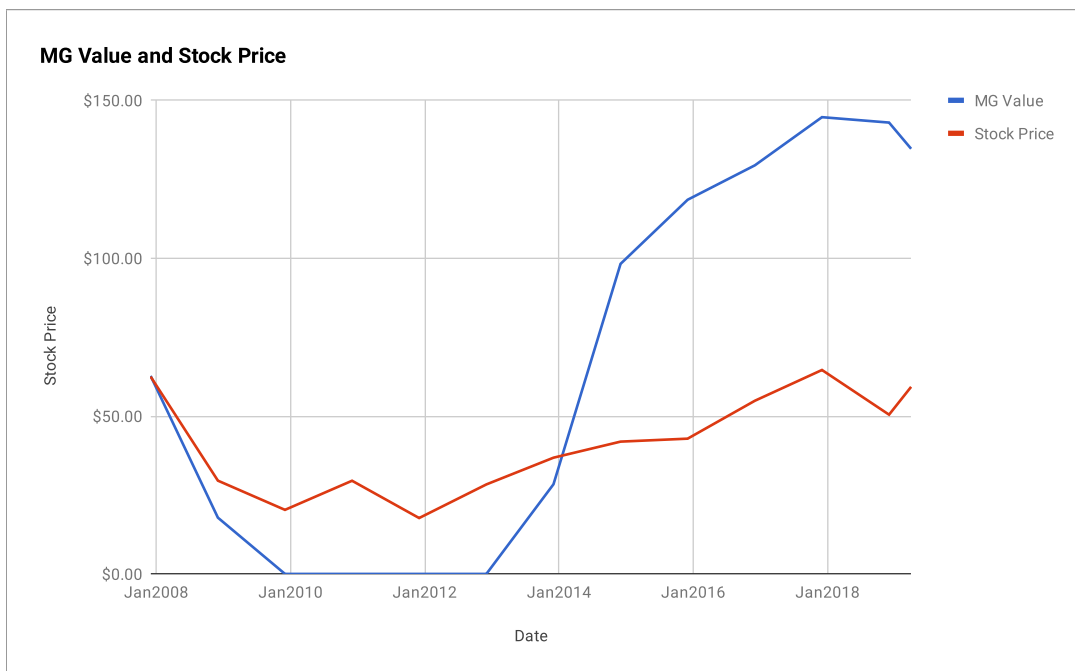
Stage 3: Information for Further Research

Graham Number	\$78.57
PEmg	11.90
PB Ratio	1.11
Dividend Yield	3.04%
Number of Consecutive Years of Dividend Growth	8

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	\$5.51	Next Fiscal Year Estimate	\$4.98
Dec2018	\$5.74	Dec2018	\$4.52
Dec2017	\$4.47	Dec2017	\$3.76
Dec2016	\$3.60	Dec2016	\$3.36
Dec2015	\$3.58	Dec2015	\$3.08
Dec2014	\$3.23	Dec2014	\$2.55
Dec2013	\$2.41	Dec2013	\$1.66
Dec2012	\$3.59	Dec2012	\$1.02
Dec2011	\$0.94	Dec2011	\$0.06
Dec2010	-\$0.18	Dec2010	\$0.30
Dec2009	-\$3.98	Dec2009	\$1.29
Dec2008	\$2.12	Dec2008	\$4.16
Dec2007	\$4.55	Dec2007	\$5.17
Dec2006	\$5.82	Dec2006	\$5.38
Dec2005	\$5.47	Dec2005	\$5.09
Dec2004	\$5.19	Dec2004	\$4.84
Dec2003	\$4.73	Dec2003	\$4.61
Dec2002	\$4.66	Balance Sheet Information 12/1/2018	
Dec2001	\$4.72	Long-Term Debt & Capital Lease Obligation	\$15,460,000,000
Dec2000	\$4.30	Total Assets	\$215,543,000,000
Dec1999	\$4.13	Intangible Assets	\$8,393,000,000
		Total Liabilities	\$191,263,000,000
		Shares Outstanding (Diluted Average)	452,826,000





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

- [SunTrust Banks Inc Valuation – June 2018 \\$STI](#)
- [SunTrust Banks Inc Valuation – April 2017 \\$STI](#)
- [10 Stocks for Using A Benjamin Graham Value Investing Strategy – January 2017](#)
- [21 Best Undervalued Stocks of the Week – 8/27/16](#)
- [Best Stocks Below Their Graham Number – August 2016](#)

Other ModernGraham posts about related companies

- [Comerica Inc Valuation – March 2019 #CMA](#)
- [SVB Financial Group Valuation – March 2019 #SIVB](#)
- [US Bancorp Valuation – March 2019 #USB](#)
- [Citizens Financial Group Inc Valuation – February 2019 \\$CFG](#)
- [BB&T Corp Valuation – February 2019 \\$BBT](#)
- [M&T Bank Corp Valuation – February 2019 \\$MTB](#)
- [Bank of America Corp Valuation – January 2019 \\$BAC](#)
- [Fifth Third Bancorp Valuation – January 2019 \\$FITB](#)
- [Zions Bancorp Valuation – January 2019 \\$ZION](#)
- [Regions Financial Corp Valuation – January 2019 \\$RF](#)