

# ModernGraham Valuation

Company Name:

U.S. Bancorp

Company Ticker USB

Date of Analysis

3/6/2019



## 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  | \$81,855,808,103 | 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                 |  | 69.13%           | Pass |
| 5. Moderate PEmg Ratio             | PEmg < 20  | 13.24            | Pass |
| 6. Moderate Price to Assets        | PB Ratio < 2.5 OR PB*PEmg < 50   | 1.60             | 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                       | 3.86           |
| MG Growth Estimate          | 4.20%          |
| <b>MG Value</b>             | <b>\$65.26</b> |
| MG Value based on 3% Growth | \$56.00        |
| MG Value based on 0% Growth | \$32.83        |
| Market Implied Growth Rate  | 2.37%          |

### MG Opinion

|                      |                      |
|----------------------|----------------------|
| Current Price        | \$51.14              |
| % of Intrinsic Value | 78.36%               |
| <b>Opinion</b>       | <b>Fairly Valued</b> |
| <b>MG Grade</b>      | <b>A-</b>            |

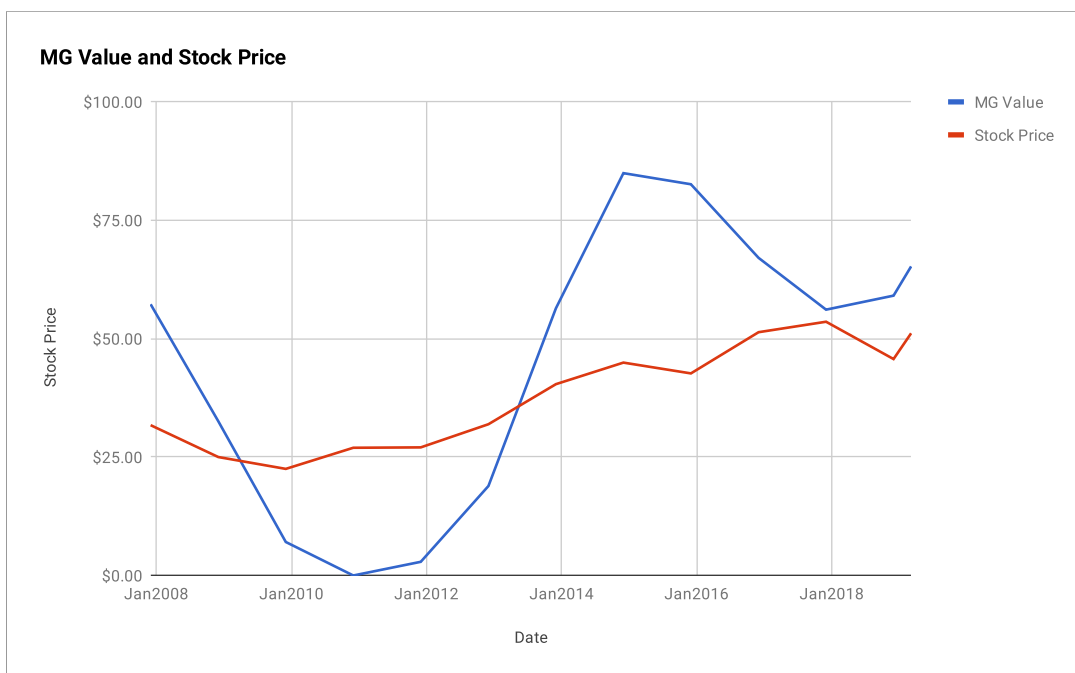
## Stage 3: Information for Further Research

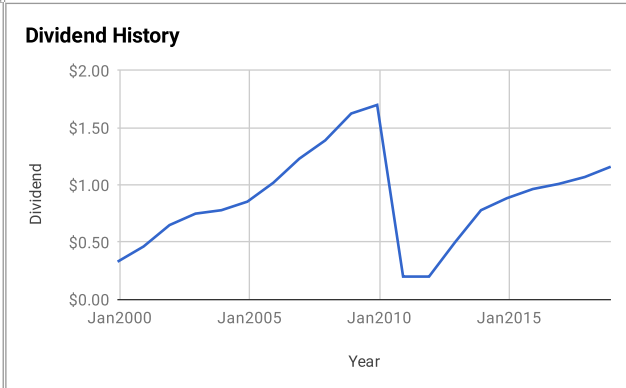
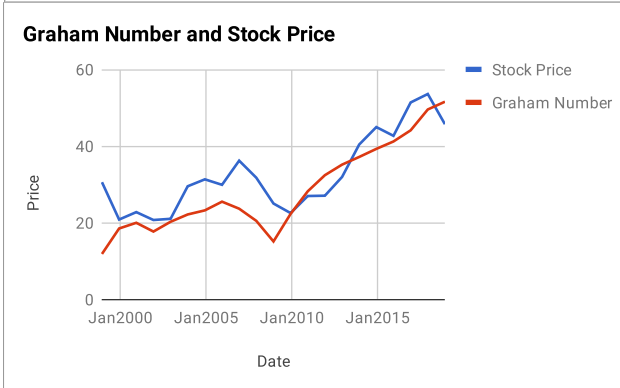
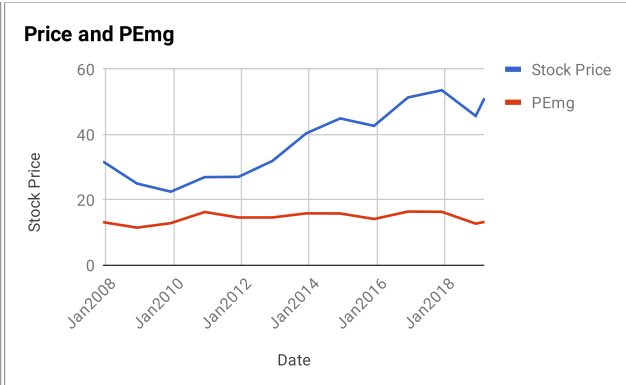
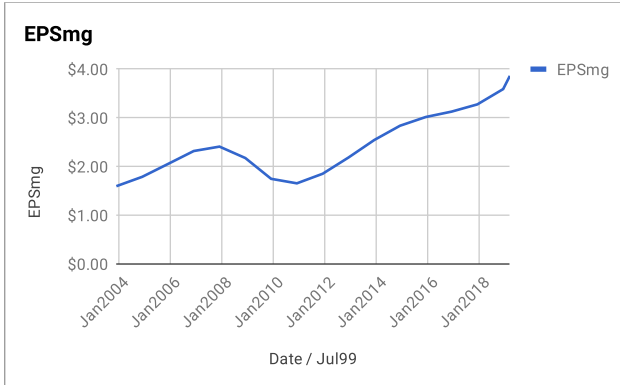
|  |         |
|--|---------|
| Graham Number                                  | \$51.57 |
| PEmg   | 13.24   |
| PB Ratio                                       | 1.60    |
| Dividend Yield                                 | 2.62%   |
| Number of Consecutive Years of Dividend Growth | 8       |

### 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 | \$4.24 | Next Fiscal Year Estimate                  | \$3.86            |
| Dec2018                   | \$4.14 | Dec2018                                    | \$3.59            |
| Dec2017                   | \$3.51 | Dec2017                                    | \$3.28            |
| Dec2016                   | \$3.24 | Dec2016                                    | \$3.13            |
| Dec2015                   | \$3.16 | Dec2015                                    | \$3.02            |
| Dec2014                   | \$3.08 | Dec2014                                    | \$2.84            |
| Dec2013                   | \$3.00 | Dec2013                                    | \$2.54            |
| Dec2012                   | \$2.84 | Dec2012                                    | \$2.19            |
| Dec2011                   | \$2.46 | Dec2011                                    | \$1.85            |
| Dec2010                   | \$1.73 | Dec2010                                    | \$1.66            |
| Dec2009                   | \$0.97 | Dec2009                                    | \$1.75            |
| Dec2008                   | \$1.61 | Dec2008                                    | \$2.17            |
| Dec2007                   | \$2.43 | Dec2007                                    | \$2.41            |
| Dec2006                   | \$2.61 | Dec2006                                    | \$2.32            |
| Dec2005                   | \$2.42 | Dec2005                                    | \$2.05            |
| Dec2004                   | \$2.18 | Dec2004                                    | \$1.79            |
| Dec2003                   | \$1.93 | Dec2003                                    | \$1.60            |
| Dec2002                   | \$1.65 | <b>Balance Sheet Information 12/1/2018</b> |                   |
| Dec2001                   | \$0.88 | Long-Term Debt & Capital Lease Obligation  | \$41,340,000,000  |
| Dec2000                   | \$1.50 | Total Assets                               | \$467,374,000,000 |
| Dec1999                   | \$2.06 | Intangible Assets                          | \$12,761,000,000  |
|                           |        | Total Liabilities                          | \$415,717,000,000 |
|                           |        | Shares Outstanding (Diluted Average)       | 1,617,000,000     |





**Disclaimer:**

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author 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**
- [US Bancorp Valuation – May 2018 \\$USB](#)
  - [12 Best Stocks for Value Investors This Week – 2/4/17](#)
  - [U.S. Bancorp Valuation – February 2017 \\$USB](#)
  - [15 Best Undervalued Stocks of the Week – 8/20/16](#)
  - [US Bancorp Valuation – August 2016 \\$USB](#)

- Other ModernGraham posts about related companies**
- [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](#)
  - [Huntington Bancshares Inc Valuation – January 2019 \\$HBAN](#)
  - [PNC Financial Services Group Inc Valuation – January 2019 \\$PNC](#)
  - [KeyCorp Valuation – January 2019 \\$KEY](#)