

ModernGraham Valuation

Company Name:

Wells Fargo & Co

Company Ticker WFC

Date of Analysis

4/1/2019



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	\$220,466,305,698	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		55.90%	Pass
5. Moderate PEmg Ratio	PEmg < 20	11.20	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.16	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	4.33
MG Growth Estimate	1.75%
MG Value	\$52.06
MG Value based on 3% Growth	\$62.85
MG Value based on 0% Growth	\$36.84
Market Implied Growth Rate	1.35%

MG Opinion

Current Price	\$48.54
% of Intrinsic Value	93.24%
Opinion	Fairly Valued
MG Grade	A-

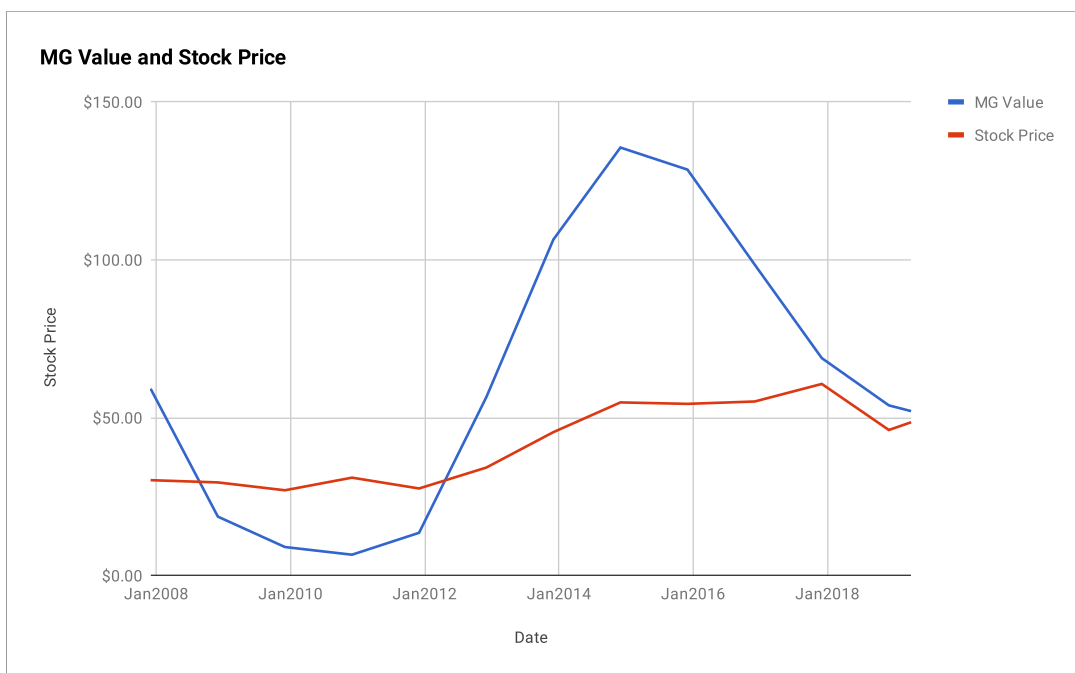
Stage 3: Information for Further Research

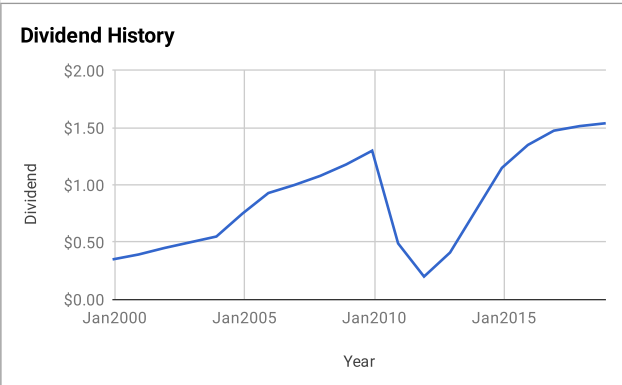
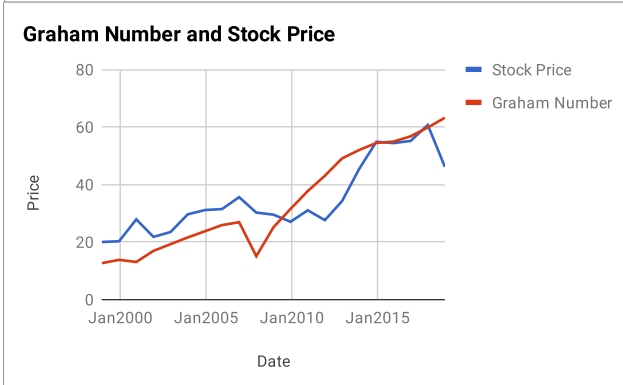
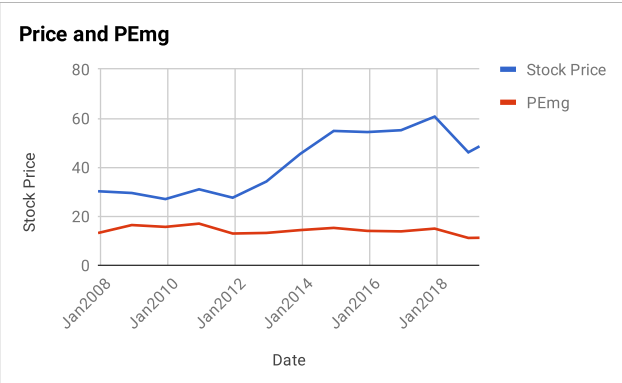
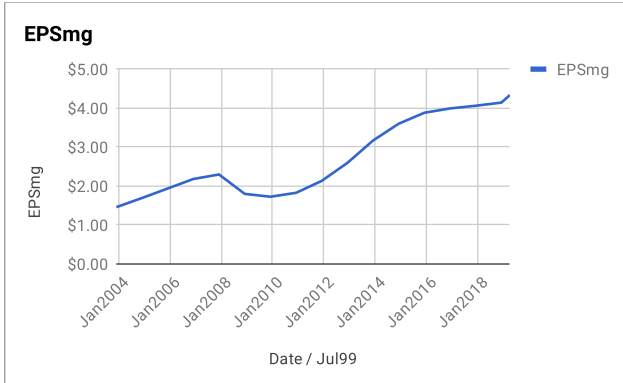
Graham Number	\$63.18
PEmg	11.20
PB Ratio	1.16
Dividend Yield	3.38%
Number of Consecutive Years of Dividend Growth	8

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	\$4.70	Next Fiscal Year Estimate	\$4.33
Dec2018	\$4.28	Dec2018	\$4.14
Dec2017	\$4.10	Dec2017	\$4.06
Dec2016	\$3.99	Dec2016	\$3.99
Dec2015	\$4.12	Dec2015	\$3.88
Dec2014	\$4.10	Dec2014	\$3.60
Dec2013	\$3.89	Dec2013	\$3.17
Dec2012	\$3.36	Dec2012	\$2.59
Dec2011	\$2.82	Dec2011	\$2.13
Dec2010	\$2.21	Dec2010	\$1.83
Dec2009	\$1.75	Dec2009	\$1.73
Dec2008	\$0.70	Dec2008	\$1.80
Dec2007	\$2.38	Dec2007	\$2.30
Dec2006	\$2.47	Dec2006	\$2.18
Dec2005	\$2.25	Dec2005	\$1.94
Dec2004	\$2.05	Dec2004	\$1.69
Dec2003	\$1.83	Dec2003	\$1.46
Dec2002	\$1.58	Balance Sheet Information 12/1/2018	
Dec2001	\$0.99	Long-Term Debt & Capital Lease Obligation	\$229,044,000,000
Dec2000	\$1.16	Total Assets	\$1,895,883,000,000
Dec1999	\$1.15	Intangible Assets	\$43,055,000,000
		Total Liabilities	\$1,698,817,000,000
		Shares Outstanding (Diluted Average)	4,698,600,000





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**
- [Wells Fargo & Co Valuation – June 2018 \\$WFC](#)
 - [10 Undervalued Companies for the Defensive Dividend Stock Investor – June 2018](#)
 - [Wells Fargo & Co Valuation – August 2017 \\$WFC](#)
 - [10 Undervalued Companies for the Defensive Dividend Stock Investor – January 2017](#)
 - [10 Undervalued Companies for the Defensive Dividend Stock Investor – December 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](#)