



Company	Ticker	Sector	Industry
Citigroup Inc.	C-US	Financials	Banks

Business Description

Citigroup, Inc. is a holding company, which engages in the provision of financial products and services. It operates through the following segments: Global Consumer Banking, Institutional Clients Group, and Corporate and Other. The Global Consumer Banking segment provides traditional banking services to retail customers through retail banking, including commercial banking, and Citi-branded cards and Citi retail services. The Institutional Clients Group segment provides corporate, institutional, public sector and high-net-worth clients around the world with a full range of wholesale banking products and services. This segment includes fixed income and equity sales and trading, foreign exchange, prime brokerage, derivative services, equity and fixed income research, corporate lending, investment banking and advisory services, private banking, cash management, trade finance and securities services. The Corporate and Other segment includes certain unallocated costs of global staff functions, other corporate expenses and unallocated global operations and technology expenses, Corporate Treasury, certain North America and international legacy consumer loan portfolios, other legacy assets, and discontinued operations. The company was founded in 1812 and is headquartered in New York, NY.

Price Chart



Key Info & Metrics

Empirical Research Rank:	2
Date Purchased:	01/25/2021
Price:	\$45.77
52-Week Range:	\$40.45 - \$54.38
Dividend Yield:	4.46%
Market Cap (\$M):	\$88,964
Forward Price-to-Earnings:	8
Total Return	
Year-to-Date:	2.2%
1 Year:	-7.5%
3 Year:	36.8%
5 Year:	-23.1%

Investment Case - Updated: March 15, 2023

Citigroup is one of the largest banks in the U.S. and by far the cheapest of its peer group. The company historically had a poor track record on most quality metrics, but since the Great Recession it has cleaned up its act. A recent change in Chief Executive Officer opens the possibility for additional structural improvements that could result in a narrowing of the valuation gap versus peers. The company's restructuring has several goals: 1) simplify the company and address deficiencies in its internal controls and data, where it has come under regulatory scrutiny; 2) exit international markets where it lacks scale; and 3) improve its competitive position in areas such as wealth management. This could be a multi-year effort, but if the new management team is successful then the stock could have significant upside. In the meantime, Citigroup's heavy exposure to credit cards and international cash management gives investors exposure to pro-cyclical elements. During economic expansions, credit card usage rises and default rates fall.

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