Synchrony Financial (SYF)

Updated May 10th, 2026 by Jonathan Weber

Key Metrics

Current Price:	$71	**5 Year CAGR Estimate:**	5.5%	**Market Cap:**	$24B
Fair Value Price:	$74	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	08/06/26[1]
% Fair Value:	95%	**5 Year Valuation Multiple Estimate:**	0.9%	**Dividend Payment Date:**	08/17/26[2]
Dividend Yield:	1.7%	**5 Year Price Target**	$86	**Years Of Dividend Growth:**	4
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Synchrony Financial is a consumer financial services company. It operates through the following business units: Payment Solutions, Retail Credit, and CareCredit. Synchrony Financial offers private label credit cards, small-size business credit products, promotional financing for higher-priced consumer goods, promotional financing for healthcare procedures such as dental and vision, as well as a range of other services to its customers. The company is headquartered in Stamford, CT, and was founded in 2003.

Synchrony Financial reported its first quarter earnings results on April 21st. The company managed to generate revenues of $4.77 billion during the quarter, which was up by 3.5% versus the previous year's quarter, which was better than what was expected by the analyst community. The company experienced a purchase volume increase of 6% year over year, which was a slightly better rate compared to the previous quarter.

Synchrony Financial generated earnings-per-share of $2.27 during the first quarter. Profits were up by 20% on a per-share basis versus the previous year's quarter, partially due to lower provisions for credit losses. For the current year, Synchrony Financial expects loan receivables growth of around 5%, while management also guides for earnings-per-share to come in between $9.10 and $9.50 for this year.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.71	$2.61	$3.74	$4.29	$2.28	$6.86	$6.10	$5.33	$6.58	$9.43	***$9.30***	***$10.78***
DPS	$0.26	$0.56	$0.72	$0.86	$0.88	$0.88	$0.92	$0.96	$1.00	$1.15	***$1.20***	***$1.46***
Shares[3]	834	771	719	662	584	525	440	421	397	370	***350***	***300***

Synchrony Financial was founded in 2003, but the company's initial public offering was in 2014, which is why there is no Great Recession data available for the company. Over the last decade, Synchrony Financial grew its earnings-per-share by more than 10% a year, although growth was uneven over the years, with the company experiencing some ups and downs as the macro picture impacts profitability to a significant degree.

Synchrony Financial has broadened its cooperation by adding new vendors in the past, which includes companies such as Amazon and several airlines. Adding new cooperation partners could potentially result in growing active accounts, although growth hasn't been strong in the recent past. Purchase volumes and loan balances should grow in the long term, however, which is the basis for rising transaction fees and further growth for Synchrony Financial's net interest income. The coronavirus crisis hit the company's bottom line to a significant degree in 2020, but Synchrony Financial nevertheless remained profitable in that year. Synchrony made a strong recovery from the pandemic impact in the following years. We believe that Synchrony Financial should be able to grow its earnings-per-share in the long run, although likely at a slower pace compared to the last decade. Investors should also keep in mind that we will likely continue to see ups and downs in the company's profits on a year-over-year basis.

---

[1] Estimated date

[2] Estimated date

[3] In Millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Synchrony Financial (SYF)

Updated May 10th, 2026 by Jonathan Weber

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	10.7	12.4	8.7	8.4	14.9	6.7	5.4	7.1	9.9	8.8	***7.6***	***8.0***
Avg. Yld.	0.9%	1.7%	2.2%	2.4%	2.6%	1.9%	2.8%	2.6%	1.5%	1.4%	***1.7%***	***1.7%***

Synchrony Financial has been valued at a price to earnings ratio of roughly 10 throughout the first couple of years since its IPO. More recently, shares traded at a lower valuation. Based on our adjusted earnings-per-share estimate of $9.30 for this year, the earnings multiple stands at slightly below 8 right now. We believe that this is just below fair value, which is why we see only a small multiple expansion tailwind over the coming years.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	10%	21%	19%	20%	39%	13%	15%	18%	15%	12%	***13%***	***14%***

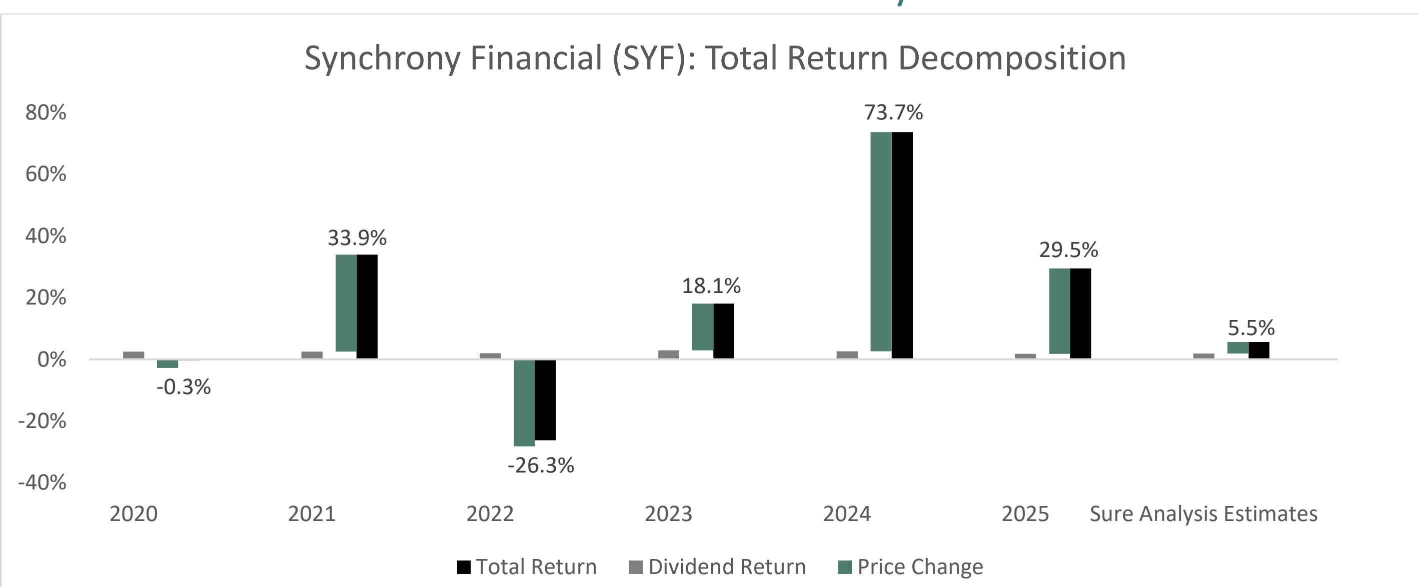
Synchrony Financial started to make dividend payments just over a decade ago. Since then, the company has raised its dividend regularly and at a meaningful pace. Yet, Synchrony Financial's dividend payout ratio is still relatively low. We do not know whether Synchrony Financial will maintain its dividend during every recession, as the company's track record does not date back to the last financial crisis. During the pandemic, the company maintained its dividend.

Synchrony Financial is not the largest credit card company in the world; it has significantly larger peers, such as American Express. The market is large enough for many companies to operate profitably, though, which is why Synchrony Financial's relatively small size is not necessarily a large disadvantage. During and following the current recession, Synchrony Financial should see a larger-than-normal amount of credit losses, but the company remained profitable in 2020. As this crisis is passing, profitability should recover as things revert back to normal.

Final Thoughts & Recommendation

Synchrony Financial is a mid-sized credit card company. Synchrony's earnings rose at a very nice pace in 2025, hitting a new record high, although 2026 likely won't be a year of positive earnings growth. The long-term growth outlook is not too bad thanks to a solid pace of buybacks, we believe, and shares are trading close to fair value right now. Based on our expectations, we rate shares a hold, as the total return outlook is solid but not great right now.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Synchrony Financial (SYF)

Updated May 10th, 2026 by Jonathan Weber

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	12,220	13,758	15,154	15,603	12,827	11,224	13,195	17,338	20,759	19,116
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	219	254	302	367	383	390	419	458	481	
Net Profit	2,251	1,935	2,790	3,747	1,385	4,221	3,016	2,238	3,499	3,469
Net Margin	18.4%	14.1%	18.4%	24.0%	10.8%	37.6%	22.9%	12.9%	16.9%	18.1%
Free Cash Flow	6,823	8,916	9,342	8,990	7,487	7,099	6,694	8,593	9,848	
Income Tax	1,319	1,389	854	1,140	412	1,282	946	666	1,054	1,069

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	90207	95808	106792	104826	95948	95748	104564	117479	119463	119095
Cash & Equivalents	9,321	11,602	9,396	12,147	11,524	8,337	10,294	14,259	14,711	14,973
Goodwill & Int.	1,661	1,740	2,161	-	2,203	2,273	2,392	1,833	2,128	2,618
Total Liabilities	76,011	81,574	92,114		83,247	82,093	91,691	103,576	102,883	102,329
Long-Term Debt	20,147	20,799	23,996	4,208	15,775	14,507	14,191	15,982	15,462	15,182
Shareholder's Equity	14,196	14,234	14,678	14,354	11,967	12,921	12,139	13,169	15,358	15,544
LTD/E Ratio	1.42	1.46	1.63	1.32	1.24	1.06	1.10	1.15	0.93	0.91

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.6%	2.1%	2.8%	3.5%	1.4%	4.4%	3.0%	2.0%	3.0%	2.9%
Return on Equity	16.8%	13.6%	19.3%	25.2%	10.0%	32.0%	22.7%	16.7%	23.0%	20.8%
ROIC	6.3%	5.6%	7.6%	10.2%	4.4%	14.9%	10.9%	7.9%	11.3%	10.8%
Shares Out.	834	771	719	662	584	525	440	421	397	370
Revenue/Share	14.70	17.20	20.29	23.17	21.71	19.72	27.30	40.94	51.82	51.13
FCF/Share	8.21	11.15	12.51	13.35	12.67	12.47	13.85	20.29	24.58	

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.