

TheStreet Quant Ratings

FLAGSTAR BANCORP INC

BUY						HOLD			SELL								BUY	RATING SINCE		09/18/2020
A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E+	E	E-	F	TARGET PRICE		 \$43.88		
Annual Dividend Rate \$0.24					Annual Dividend Yield 0.63%			Beta 1.49		Market Capitalization \$2.0 Billion				52-Week Range \$30.82-\$53.30				Price as of 11/23/2022 \$37.99		

Sector: **Finance and Insurance** | Industry Group: **Depository Credit Intermediation**

FBC BUSINESS DESCRIPTION

Flagstar Bancorp, Inc. operates as a savings and loan holding company for Flagstar Bank, FSB that provides commercial and consumer banking services to consumer, commercial, and government customers in the United States.

STOCK PERFORMANCE (%)

	3 Mo.	1 Yr.	3 Yr (Ann)
Price Change	-6.43	-22.23	1.15

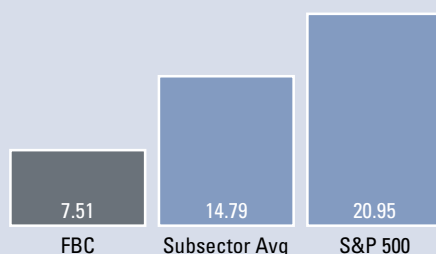
GROWTH (%)

	Last Qtr	12 Mo.	3 Yr CAGR
Revenues	-22.53	-27.82	3.33
Net Income	-51.98	-54.99	8.19
EPS	-52.30	-54.83	10.70

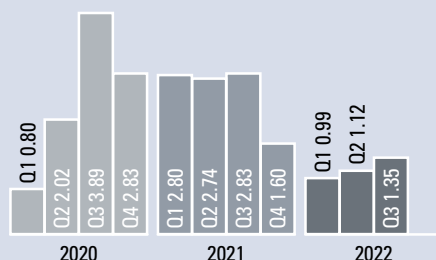
RETURN ON EQUITY (%)

	FBC	Subsector Avg	S&P 500
Q3 2022	10.36	54.76	19.47
Q3 2021	22.76	44.35	16.80
Q3 2020	20.14	49.18	11.22

P/E COMPARISON



EPS ANALYSIS' (\$)

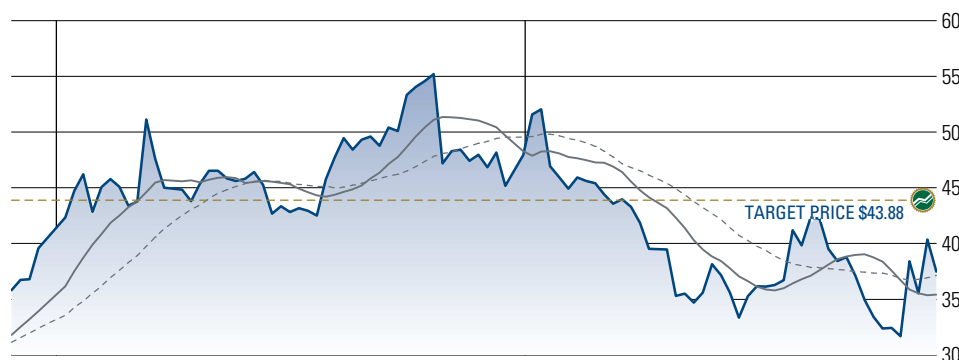


NA = not available NM = not meaningful

1 Compustat fiscal year convention is used for all fundamental data items.

Weekly Price: (US\$) | SMA (50) — SMA (100) ---

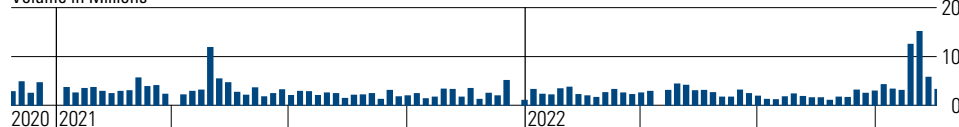
1 Year | 2 Years



Rating History

BUY

Volume in Millions



COMPUSTAT for Price and Volume, TheStreet Ratings, Inc. for Rating History

RECOMMENDATION

We rate FLAGSTAR BANCORP INC (FBC) a BUY. This is driven by a number of strengths, which we believe should have a greater impact than any weaknesses, and should give investors a better performance opportunity than most stocks we cover. The company's strengths can be seen in multiple areas, such as its attractive valuation levels, good cash flow from operations and expanding profit margins. We feel its strengths outweigh the fact that the company has had sub par growth in net income.

HIGHLIGHTS

Net operating cash flow has significantly increased by 232.15% to \$1,200.00 million when compared to the same quarter last year. In addition, FLAGSTAR BANCORP INC has also vastly surpassed the subsector average cash flow growth rate of -74.10%.

The gross profit margin for FLAGSTAR BANCORP INC is currently very high, coming in at 89.13%. Despite the high profit margin, it has decreased significantly from the same period last year. Despite the mixed results of the gross profit margin, the net profit margin of 19.83% trails the subsector average.

The revenue fell significantly faster than the subsector average of 15.1%. Since the same quarter one year prior, revenues fell by 22.5%. Weakness in the company's revenue seems to have hurt the bottom line, decreasing earnings per share.

FLAGSTAR BANCORP INC has experienced a steep decline in earnings per share in the most recent quarter in comparison to its performance from the same quarter a year ago. This company has reported somewhat volatile earnings recently. We feel it is likely to report a decline in earnings in the coming year. During the past fiscal year, FLAGSTAR BANCORP INC increased its bottom line by earning \$9.97 versus \$9.54 in the prior year. For the next year, the market is expecting a contraction of 49.4% in earnings (\$5.04 versus \$9.97).

TheStreet Quant Ratings

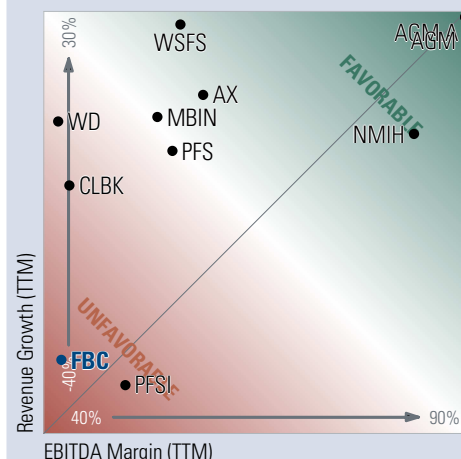
FLAGSTAR BANCORP INC

Sector: Finance and Insurance | Depository Credit Intermediation

Annual Dividend Rate \$0.24	Annual Dividend Yield 0.63%	Beta 1.49	Market Capitalization \$2.0 Billion	52-Week Range \$30.82-\$53.30	Price as of 11/23/2022 \$37.99
---------------------------------------	---------------------------------------	---------------------	---	---	--

PEER GROUP ANALYSIS

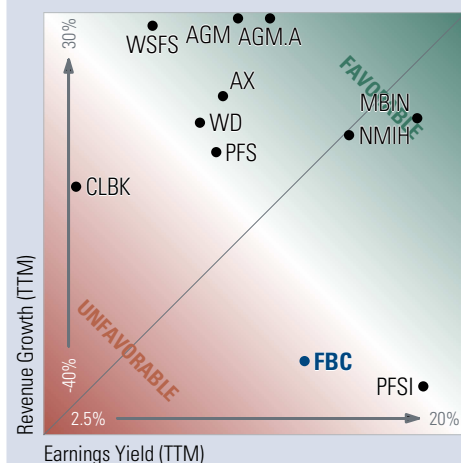
REVENUE GROWTH AND EBITDA MARGIN*



Companies with higher EBITDA margins and revenue growth rates are outperforming companies with lower EBITDA margins and revenue growth rates. Companies for this scatter plot have a market capitalization between \$1.6 Billion and \$2.9 Billion. Companies with NA or NM values do not appear.

*EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

REVENUE GROWTH AND EARNINGS YIELD



Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between -32% and 29%. Companies with NA or NM values do not appear.

SUBSECTOR ANALYSIS

FLAGSTAR BANCORP INC falls within the Finance and Insurance sector and the Depository Credit Intermediation industry group of the North American Industry Classification System or NAICS. More precisely, a significant portion of company activities involve Savings Institutions.

TheStreet Quant Ratings is currently tracking 798 companies in the Finance and Insurance sector that total around \$7,873 billion in market capitalization as well as \$4,198 billion in annual sales.

The Credit Intermediation and Related Activities subsector accounts for 44.6% of those revenues.

Industries in the Credit Intermediation and Related Activities subsector group establishments that (1) lend funds raised from depositors; (2) lend funds raised from credit market borrowing; or (3) facilitate the lending of funds or issuance of credit by engaging in such activities as mortgage and loan brokerage, clearinghouse and reserve services, and check cashing services.

PEER GROUP: Credit Intermediation and Related Activities

Ticker	Company Name	Recent Price (\$)	Market Cap (\$M)	Price/Earnings	Net Sales TTM (\$M)	Net Income TTM (\$M)
FBC	FLAGSTAR BANCORP INC	37.99	2,026	7.51	1,443.00	271.00
WSFS	WSFS FINANCIAL CORP	47.59	2,931	14.25	844.74	194.21
PFSI	PENNYMAC FINANCIAL SERVICES	57.39	2,874	5.48	2,660.36	610.97
WD	WALKER & DUNLOP INC	84.02	2,774	11.13	1,384.18	252.26
CLBK	COLUMBIA FINANCIAL INC	21.79	2,388	25.94	319.51	87.62
AX	AXOS FINANCIAL INC	39.75	2,385	10.06	839.07	238.91
NMIH	NMI HOLDINGS INC	21.22	1,774	6.59	515.31	280.49
AGM.A	FEDERAL AGRICULTURE MTG CP	111.55	1,725	8.41	595.95	171.41
AGM	FEDERAL AGRICULTURE MTG CP	125.59	1,725	9.47	595.95	171.41
PFS	PROVIDENT FINANCIAL SVCS INC	22.57	1,699	10.35	520.85	163.92
MBIN	MERCHANTS BANCORP	24.95	1,560	5.56	525.20	217.77

The peer group comparison is based on Major Credit Intermediation and Related Activities companies of comparable size.

TheStreet Quant Ratings

FLAGSTAR BANCORP INC

Sector: Finance and Insurance | Depository Credit Intermediation

Annual Dividend Rate \$0.24	Annual Dividend Yield 0.63%	Beta 1.49	Market Capitalization \$2.0 Billion	52-Week Range \$30.82-\$53.30	Price as of 11/23/2022 \$37.99
---------------------------------------	---------------------------------------	---------------------	---	---	--

COMPANY DESCRIPTION

Flagstar Bancorp, Inc. operates as a savings and loan holding company for Flagstar Bank, FSB that provides commercial and consumer banking services to consumer, commercial, and government customers in the United States. It operates in three segments: Community Banking, Mortgage Originations, and Mortgage Servicing. The Community Banking segment offers various products, such as checking and savings accounts, money market accounts, certificates of deposit, consumer and commercial loans, commercial real estate loans, home builder finance loans, and warehouse lines of credit. It also provides other financial services, including consumer and corporate card services, customized treasury management solutions, merchant services, and capital markets services, such as loan syndications, and investment and insurance products and services. This segment serves consumer, business, and mortgage lending customers through its branch banking, business and commercial banking, government banking, and warehouse lending. The Mortgage Originations segment originates, acquires, and sells one-to-four family residential mortgage loans through mortgage branches, call centers, the Internet, and third-party counterparties. The Mortgage Servicing segment offers services and subservices mortgage and other consumer loans; and services loans for its loans held-for-investment and loans held-for-sale portfolios, as well as noninterest-bearing escrow services. As of December 31, 2021, the company operated 158 full service banking branches; and mortgages through a wholesale network of brokers and correspondents in 50 states, as well as 83 retail locations and 3 call centers in 28 states. Flagstar Bancorp, Inc. was founded in 1987 and is headquartered in Troy, Michigan.

FLAGSTAR BANCORP INC
5151 Corporate Drive
Troy, MI 48098-2639
USA
Phone: 248 312 2000
<http://www.flagstar.com>
Employees: 5000

STOCK-AT-A-GLANCE

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of FBC shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

FACTOR	SCORE					
Growth	4.0 out of 5 stars	★	★	★	★	★
Measures the growth of both the company's income statement and cash flow. On this factor, FBC has a growth score better than 70% of the stocks we rate.		weak				strong
Total Return	3.0 out of 5 stars	★	★	★	☆	☆
Measures the historical price movement of the stock. The stock performance of this company has beaten 50% of the companies we cover.		weak				strong
Efficiency	4.0 out of 5 stars	★	★	★	★	★
Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 70% of the companies we review.		weak				strong
Price volatility	3.0 out of 5 stars	★	★	★	☆	☆
Measures the volatility of the company's stock price historically. The stock is less volatile than 50% of the stocks we monitor.		weak				strong
Solvency	3.5 out of 5 stars	★	★	★	☆	☆
Measures the solvency of the company based on several ratios. The company is more solvent than 60% of the companies we analyze.		weak				strong
Income	3.0 out of 5 stars	★	★	★	☆	☆
Measures dividend yield and payouts to shareholders. The company's dividend is higher than 50% of the companies we track.		weak				strong

THESTREET QUANT RATINGS RESEARCH METHODOLOGY

TheStreet Quant Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighted, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

TheStreet Quant Ratings

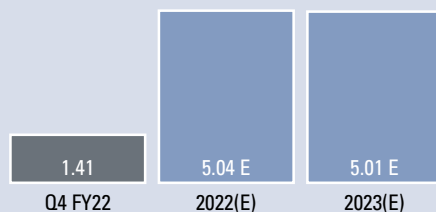
FLAGSTAR BANCORP INC

Sector: Finance and Insurance | Depository Credit Intermediation

Annual Dividend Rate \$0.24	Annual Dividend Yield 0.63%	Beta 1.49	Market Capitalization \$2.0 Billion	52-Week Range \$30.82-\$53.30	Price as of 11/23/2022 \$37.99
---------------------------------------	---------------------------------------	---------------------	---	---	--

Consensus EPS Estimates² (\$)

IBES consensus estimates are provided by Thomson Financial



INCOME STATEMENT

	Q3 FY22	Q3 FY21
Net Sales (\$mil)	368.00	475.00
EBITDA (\$mil)	155.00	264.00
EBIT (\$mil)	155.00	264.00
Net Income (\$mil)	73.00	152.00

BALANCE SHEET

	Q3 FY22	Q3 FY21
Cash & Equiv. (\$mil)	418.00	149.00
Total Assets (\$mil)	25,443.00	27,042.00
Total Debt (\$mil)	4,840.00	3,666.00
Equity (\$mil)	2,616.00	2,645.00

PROFITABILITY

	Q3 FY22	Q3 FY21
Gross Profit Margin	89.13%	101.89%
EBITDA Margin	42.11%	55.57%
Operating Margin	NA	NA
Sales Turnover	0.06	0.07
Return on Assets	1.06%	2.22%
Return on Equity	10.36%	22.76%

DEBT

	Q3 FY22	Q3 FY21
Current Ratio	NA	NA
Debt/Capital	0.65	0.58
Interest Expense	NA	NA
Interest Coverage	NA	NA

SHARE DATA

	Q3 FY22	Q3 FY21
Shares outstanding (mil)	53	53
Div / share	0.06	0.06
EPS	1.35	2.83
Book value / share	49.05	50.04
Institutional Own %	NA	NA
Avg Daily Volume	907,096	338,013

² Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

FINANCIAL ANALYSIS

FLAGSTAR BANCORP INC's gross profit margin for the third quarter of its fiscal year 2022 has decreased when compared to the same period a year ago. Sales and net income have dropped, underperforming the average competitor within its subsector.

During the same period, stockholders' equity ("net worth") has remained virtually unchanged only decreasing by 1.09% from the same quarter last year.

STOCKS TO BUY: TheStreet Quant Ratings has identified a handful of stocks that can potentially TRIPLE in the next 12-months. To learn more visit www.TheStreetRatings.com.

TheStreet Quant Ratings

FLAGSTAR BANCORP INC

Sector: Finance and Insurance | Depository Credit Intermediation

Annual Dividend Rate \$0.24	Annual Dividend Yield 0.63%	Beta 1.49	Market Capitalization \$2.0 Billion	52-Week Range \$30.82-\$53.30	Price as of 11/23/2022 \$37.99
---------------------------------------	---------------------------------------	---------------------	---	---	--

RATINGS HISTORY

Our rating for FLAGSTAR BANCORP INC has not changed since 9/18/2020. As of 11/23/2022, the stock was trading at a price of \$37.99 which is 28.7% below its 52-week high of \$53.30 and 23.3% above its 52-week low of \$30.82.



MOST RECENT RATINGS CHANGES

Date	Price	Action	From	To
11/23/20	\$35.05	No Change	Buy	Buy

Price reflects the closing price as of the date listed, if available

RATINGS DEFINITIONS & DISTRIBUTION OF THESTREET RATINGS

(as of 11/23/2022)

31.65% Buy - We believe that this stock has the opportunity to appreciate and produce a total return of more than 10% over the next 12 months.

30.55% Hold - We do not believe this stock offers conclusive evidence to warrant the purchase or sale of shares at this time and that its likelihood of positive total return is roughly in balance with the risk of loss.

37.80% Sell - We believe that this stock is likely to decline by more than 10% over the next 12 months, with the risk involved too great to compensate for any possible returns.

The Arena Group
200 Vesey Street, 24th Floor
New York, NY 10281
www.thestreet.com

Research Contact: 212-321-5381

Sales Contact: 866-321-8726

VALUATION

BUY. This stock's P/E ratio indicates a discount compared to an average of 14.79 for the Credit Intermediation and Related Activities subsector and a significant discount compared to the S&P 500 average of 20.95. For additional comparison, its price-to-book ratio of 0.77 indicates a significant discount versus the S&P 500 average of 3.92 and a significant discount versus the subsector average of 6.59. The price-to-sales ratio is well below both the S&P 500 average and the subsector average, indicating a discount. Upon assessment of these and other key valuation criteria, FLAGSTAR BANCORP INC proves to trade at a discount to investment alternatives.

Price/Earnings	1	2	3	4	5
					premium

FBC 7.51 **Peers 14.79**

- Discount. A lower P/E ratio than its peers can signify a less expensive stock or lower growth expectations.
- FBC is trading at a significant discount to its peers.

Price/Projected Earnings	1	2	3	4	5
					premium

FBC 7.58 **Peers 15.97**

- Discount. A lower price-to-projected earnings ratio than its peers can signify a less expensive stock or lower future growth expectations.
- FBC is trading at a significant discount to its peers.

Price/Book	1	2	3	4	5
					premium

FBC 0.77 **Peers 6.59**

- Discount. A lower price-to-book ratio makes a stock more attractive to investors seeking stocks with lower market values per dollar of equity on the balance sheet.
- FBC is trading at a significant discount to its peers.

Price/Sales	1	2	3	4	5
					premium

FBC 1.40 **Peers 4.89**

- Discount. In the absence of P/E and P/B multiples, the price-to-sales ratio can display the value investors are placing on each dollar of sales.
- FBC is trading at a significant discount to its subsector on this measurement.

Price/CashFlow	1	2	3	4	5
					premium

FBC 0.72 **Peers 15.13**

- Discount. The P/CF ratio, a stock's price divided by the company's cash flow from operations, is useful for comparing companies with different capital requirements or financing structures.
- FBC is trading at a significant discount to its peers.

Price to Earnings/Growth	1	2	3	4	5
					premium

FBC NM **Peers 1.99**

- Neutral. The PEG ratio is the stock's P/E divided by the consensus estimate of long-term earnings growth. Faster growth can justify higher price multiples.
- FBC's negative PEG ratio makes this valuation measure meaningless.

Earnings Growth	1	2	3	4	5
	lower				higher

FBC -54.83 **Peers -0.96**

- Lower. Elevated earnings growth rates can lead to capital appreciation and justify higher price-to-earnings ratios.
- However, FBC is expected to significantly trail its peers on the basis of its earnings growth rate.

Sales Growth	1	2	3	4	5
	lower				higher

FBC -27.82 **Peers 10.32**

- Lower. A sales growth rate that trails the subsector implies that a company is losing market share.
- FBC significantly trails its peers on the basis of sales growth.

DISCLAIMER:

The opinions and information contained herein have been obtained or derived from sources believed to be reliable, but TheStreet Quant Ratings cannot guarantee its accuracy and completeness, and that of the opinions based thereon. Data is provided via the COMPUSTAT® Xpressfeed product from Standard & Poor's, a division of The McGraw-Hill Companies, Inc., as well as other third-party data providers.

TheStreet Quant Ratings is a division of TheStreet, Inc., which is a publisher. This research report contains opinions and is provided for informational purposes only. You should not rely solely upon the research herein for purposes of transacting securities or other investments, and you are encouraged to conduct your own research and due diligence, and to seek the advice of a qualified securities professional, before you make any investment. None of the information contained in this report constitutes, or is intended to constitute a recommendation by TheStreet Quant Ratings of any particular security or trading strategy or a determination by TheStreet Quant Ratings that any security or trading strategy is suitable for any specific person. To the extent any of the information contained herein may be deemed to be investment advice, such information is impersonal and not tailored to the investment needs of any specific person. Your use of this report is governed by TheStreet, Inc.'s Terms of Use found at <http://www.thestreet.com/static/about/terms-of-use.html>.

NAICS is the North American Industry Classification System which provides the Sector, Subsector, and Industry Group structure used in this report. As many companies are diversified, the companies may also operate in other industry segments than the one listed.