

# ModernGraham Valuation

Company Name:

Duke Energy Corp

Company Ticker

DUK

Date of Analysis

11/5/2015



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$49,574,165,988	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.00	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. 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	-7.33%	Fail
5. Earnings Growth	PEmg < 20	20.23	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.25	Pass
7. Moderate Price to Assets			

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.00	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-766.56	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.53
MG Growth Estimate	1.33%
<b>MG Value</b>	<b>\$39.36</b>
MG Value based on 3% Growth	\$51.13
MG Value based on 0% Growth	\$29.97
Market Implied Growth Rate	5.86%

### MG Opinion

Current Price	\$71.32
% of Intrinsic Value	181.22%
<b>Opinion</b>	<b>Overvalued</b>

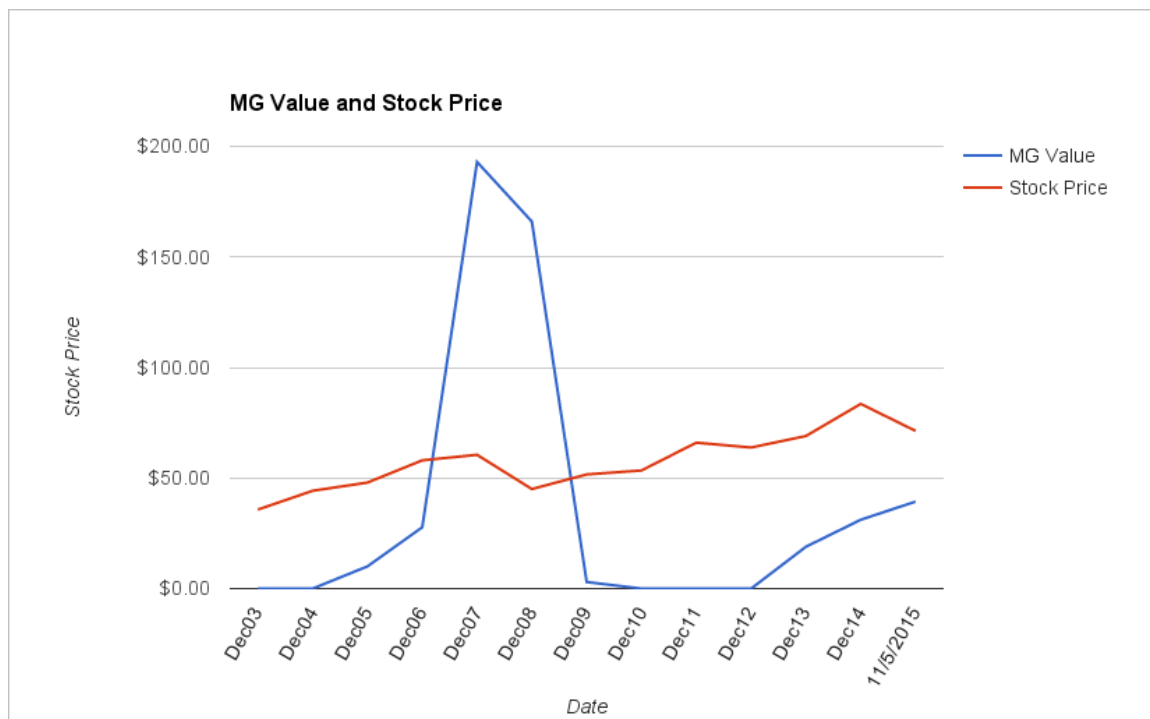
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$100.28
Graham Number	\$73.73
PEmg	20.23
Current Ratio	1.00
PB Ratio	1.25
Dividend Yield	4.46%
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	\$4.20	Next Fiscal Year Estimate	\$3.53
Dec14	\$2.66	Dec14	\$3.21
Dec13	\$3.76	Dec13	\$3.40
Dec12	\$3.07	Dec12	\$3.19
Dec11	\$3.83	Dec11	\$3.24
Dec10	\$3.00	Dec10	\$3.09
Dec09	\$2.49	Dec09	\$3.77
Dec08	\$3.21	Dec08	\$4.77
Dec07	\$3.54	Dec07	\$5.01
Dec06	\$4.71	Dec06	\$5.15
Dec05	\$11.28	Dec05	\$5.08
Dec04	\$4.62	Dec04	\$2.54
Dec03	-\$4.44	Dec03	\$2.32
Dec02	\$3.66	Dec02	\$5.75
Dec01	\$7.32	Dec01	\$6.49
Dec00	\$7.14	Dec00	\$5.81
Dec99	\$6.09	Dec99	\$5.03
Dec98	\$5.10	<b>Balance Sheet Information Jun15</b>	
Dec97	\$3.75	Total Current Assets	\$9,598,000,000
Dec96	\$4.25	Total Current Liabilities	\$9,646,000,000
Dec95	\$4.88	Long-Term Debt	\$36,795,000,000
		Total Assets	\$118,575,000,000
		Intangible Assets	\$16,328,000,000
		Total Liabilities	\$78,995,000,000
		Shares Outstanding (Diluted Average)	692,000,000





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

[30 Companies in the Spotlight This Week – 11/15/14](#)  
[Duke Energy Corporation Annual Valuation – 2014 \\$DUK](#)

Other  
ModernGraham  
posts about related  
companies

[Sempra Energy Valuation – October 2015 Update \\$SRE](#)  
[Xcel Energy Inc. Analysis – September 2015 Update \\$XEL](#)  
[NextEra Energy Inc. Analysis – August 2015 Update \\$NEE](#)  
[Westar Energy Inc. Analysis – Initial Coverage \\$WR](#)  
[Eversource Energy Analysis – Initial Coverage \\$ES](#)  
[Public Service Enterprise Group Inc. Analysis – 2015 Update \\$PEG](#)  
[Xcel Energy Analysis – June 2015 Update \\$XEL](#)  
[Consolidated Edison Analysis – 2015 Update \\$ED](#)  
[Ameren Corporation Analysis – 2015 Update \\$AEE](#)  
[NextEra Energy Inc. Quarterly Valuation – May 2015 \\$NEE](#)