

ModernGraham Valuation

Company Name:

Entergy Corporation

Company Ticker ETR

Date of Analysis

1/27/2016



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	\$12,255,169,985	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.19	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-50.23%	Fail
6. Moderate PEmg Ratio	PEmg < 20	22.40	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.36	Pass

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	1.19	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	19.71	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.10
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$45.02
MG Value based on 0% Growth	\$26.39
Market Implied Growth Rate	6.95%

MG Opinion

Current Price	\$69.55
% of Intrinsic Value	N/A
Opinion	Overvalued

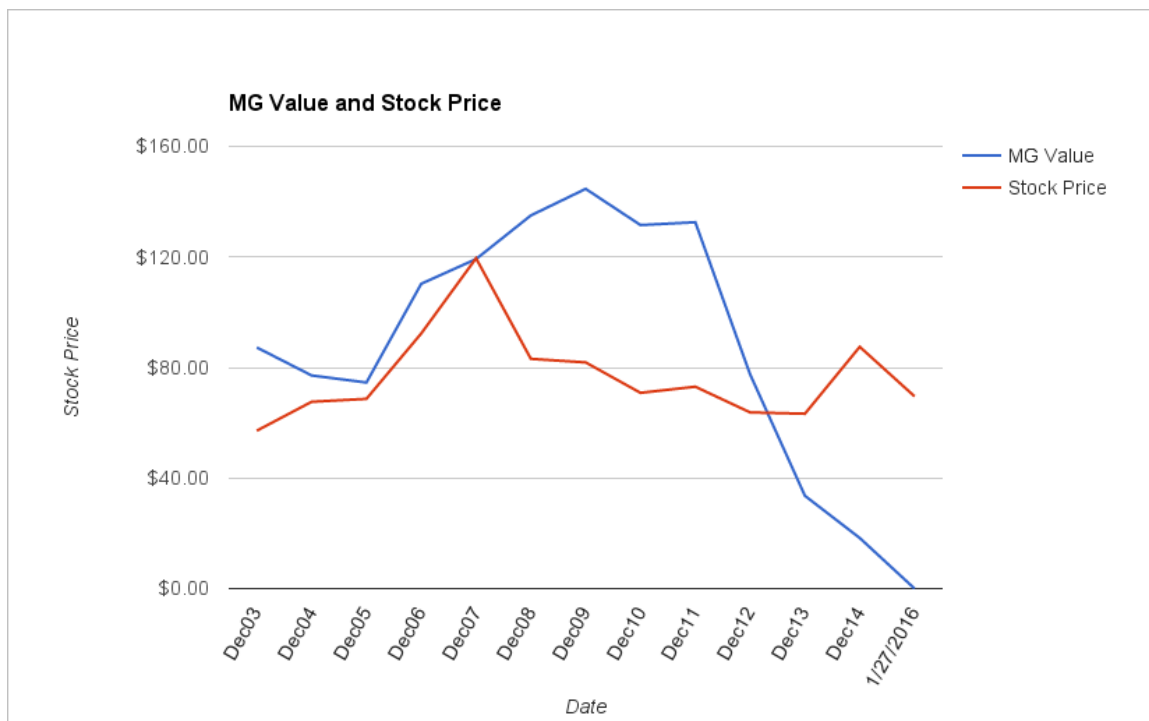
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$177.32
Graham Number	#NUM!
PEmg	22.40
Current Ratio	1.19
PB Ratio	1.36
Dividend Yield	4.77%
Number of Consecutive Years of Dividend Growth	0

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	-\$0.67	Next Fiscal Year Estimate	\$3.10
Dec14	\$5.22	Dec14	\$5.21
Dec13	\$3.99	Dec13	\$5.42
Dec12	\$4.76	Dec12	\$6.19
Dec11	\$7.55	Dec11	\$6.75
Dec10	\$6.66	Dec10	\$6.24
Dec09	\$6.30	Dec09	\$5.87
Dec08	\$6.20	Dec08	\$5.45
Dec07	\$5.60	Dec07	\$4.93
Dec06	\$5.36	Dec06	\$4.40
Dec05	\$4.19	Dec05	\$3.81
Dec04	\$3.93	Dec04	\$3.54
Dec03	\$4.01	Dec03	\$3.23
Dec02	\$2.64	Dec02	\$2.84
Dec01	\$3.23	Dec01	\$2.79
Dec00	\$2.97	Dec00	\$2.45
Dec99	\$2.25	Dec99	\$2.00
Dec98	\$3.00	Balance Sheet Information Sep15	
Dec97	\$1.03	Total Current Assets	\$4,117,346,000
Dec96	\$1.83	Total Current Liabilities	\$3,453,826,000
Dec95	\$0.00	Long-Term Debt	\$13,080,240,000
		Total Assets	\$45,041,610,000
		Intangible Assets	\$377,172,000
		Total Liabilities	\$35,884,480,000
		Shares Outstanding (Diluted Average)	179,152,000





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

[5 Speculative and Overvalued Companies to Avoid – December 2014](#)

Other ModernGraham posts about related companies

- [Pinnacle West Capital Corp Valuation – December 2015 Update \\$PNW](#)
- [Pinnacle West Capital Corp Valuation – December 2015 Update \\$PNW](#)
- [Pepco Holdings Inc Valuation – December 2015 Update \\$POM](#)
- [American Electric Power Co Valuation – November 2015 Update \\$AEP](#)
- [Duke Energy Corporation Valuation – November 2015 Update \\$DUK](#)
- [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](#)