

ModernGraham Valuation

Company Name:

AES Corp

Company Ticker AES

Date of Analysis

7/8/2016



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	\$8,032,593,466	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.06	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-7.89%	Fail
5. Earnings Growth	PEmg < 20	21.05	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.55	Fail
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	1.06	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	48.90	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		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.59
MG Growth Estimate	15.00%
MG Value	\$22.54
MG Value based on 3% Growth	\$8.49
MG Value based on 0% Growth	\$4.98
Market Implied Growth Rate	6.27%

MG Opinion

Current Price	\$12.32
% of Intrinsic Value	54.67%
Opinion	Undervalued
MG Grade	C

Stage 3: Information for Further Research

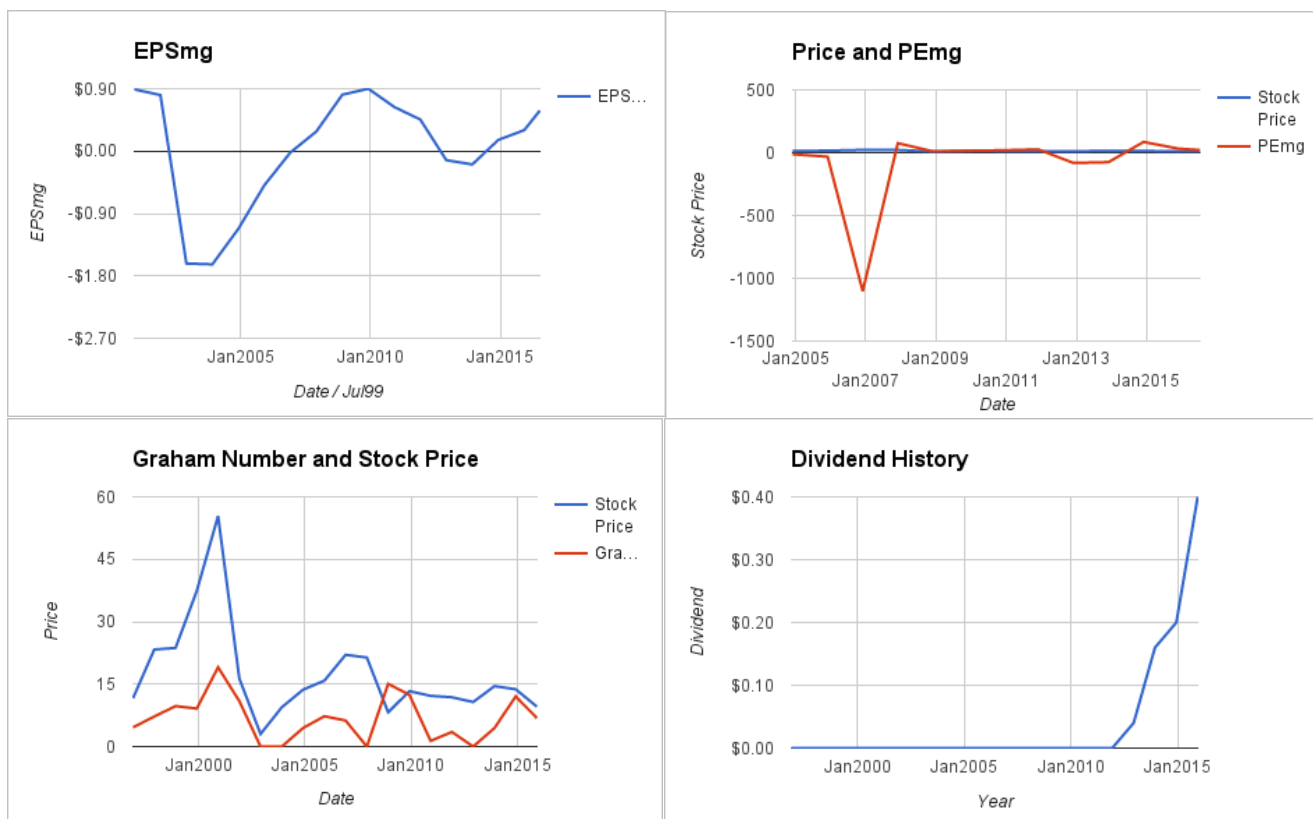
Net Current Asset Value (NCAV)	-\$40.35
Graham Number	\$10.19
PEmg	21.05
Current Ratio	1.06
PB Ratio	2.55
Current Dividend	\$0.41
Dividend Yield	3.33%
Number of Consecutive Years of Dividend Growth	5

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.95	Next Fiscal Year Estimate	\$0.59
Dec2015	\$0.44	Dec2015	\$0.30
Dec2014	\$1.06	Dec2014	\$0.16
Dec2013	\$0.15	Dec2013	-\$0.19
Dec2012	-\$1.21	Dec2012	-\$0.13
Dec2011	\$0.07	Dec2011	\$0.46
Dec2010	\$0.01	Dec2010	\$0.64
Dec2009	\$0.98	Dec2009	\$0.90
Dec2008	\$1.82	Dec2008	\$0.81
Dec2007	-\$0.14	Dec2007	\$0.28
Dec2006	\$0.39	Dec2006	-\$0.02
Dec2005	\$0.95	Dec2005	-\$0.49
Dec2004	\$0.60	Dec2004	-\$1.12
Dec2003	-\$0.67	Dec2003	-\$1.63
Dec2002	-\$6.51	Dec2002	-\$1.62
Dec2001	\$0.51	Dec2001	\$0.81
Dec2000	\$1.40	Dec2000	\$0.89
Dec1999	\$0.58	Balance Sheet Information 3/1/2016	
Dec1998	\$0.85	Total Current Assets	\$6,947,000,000
Dec1997	\$0.55	Total Current Liabilities	\$6,572,000,000
Dec1996	\$0.41	Long-Term Debt	\$18,337,000,000
		Total Assets	\$36,900,000,000
		Intangible Assets	\$1,366,000,000
		Total Liabilities	\$33,699,000,000
		Shares Outstanding (Diluted Average)	663,000,000





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.

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