ModernGraham Valuation

Company Name: DTE Energy Co

Company Ticker DTE

Date of Analysis 7/12/2016

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	$17,495,429,983	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.07	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	14.23%	Fail
6. Moderate PEmg Ratio	PEmg < 20	21.85	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.98	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	1.07	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	57.24	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

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg		$4.47
MG Growth Estimate		3.12%
MG Value		**$65.88**
MG Value based on 3% Growth		$64.83
MG Value based on 0% Growth		$38.01
Market Implied Growth Rate		6.67%

MG Opinion

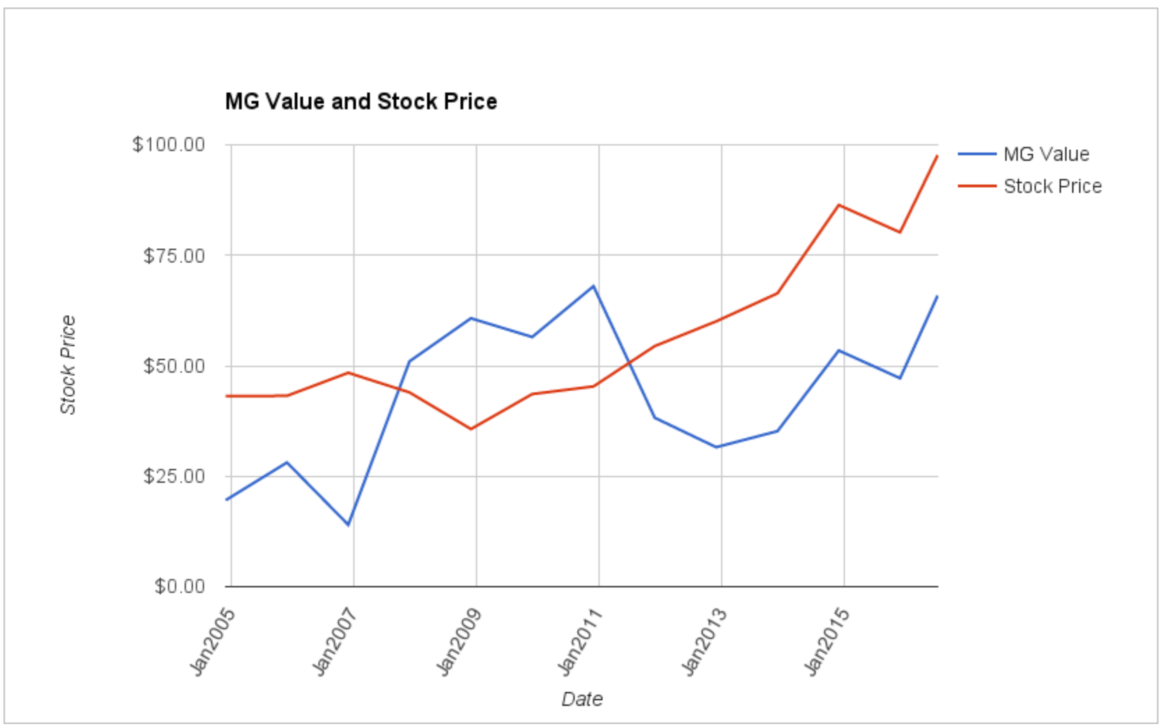
Current Price		$97.68
% of Intrinsic Value		148.26%
Opinion	**Overvalued**	
MG Grade	**D+**	

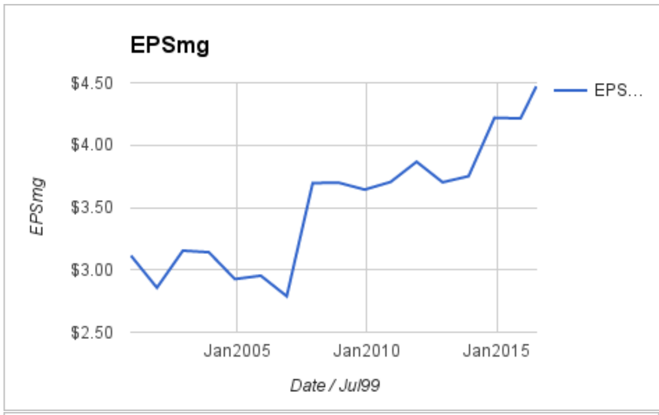
Stage 3: Information for Further Research

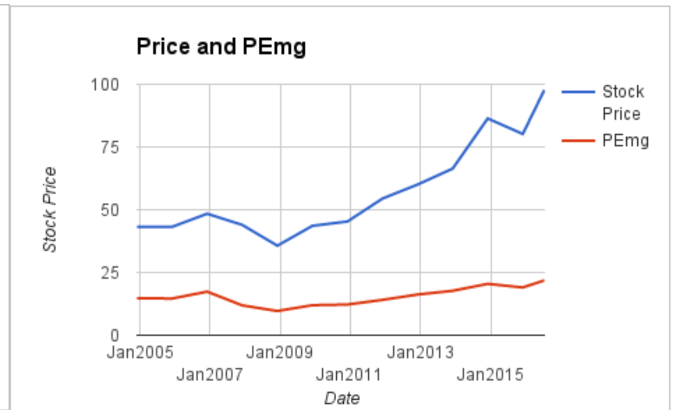
Net Current Asset Value (NCAV)	-$96.19
Graham Number	$73.89
PEmg	21.85
Current Ratio	1.07
PB Ratio	1.98
Current Dividend	$2.88
Dividend Yield	2.95%
Number of Consecutive Years of Dividend Growth	7

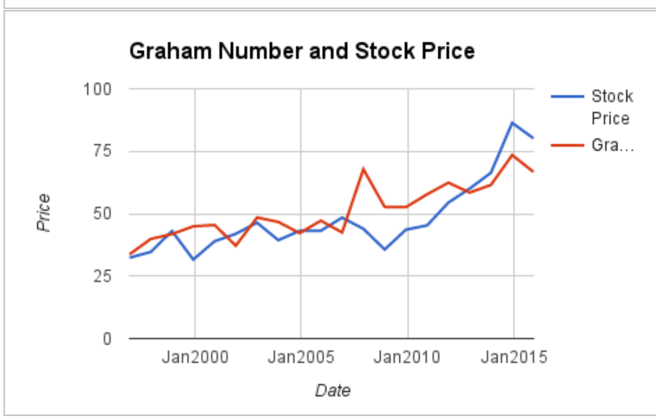
Useful Links:		
	ModernGraham tagged articles	Morningstar
	Google Finance	MSN Money
	Yahoo Finance	Seeking Alpha
	GuruFocus	SEC Filings

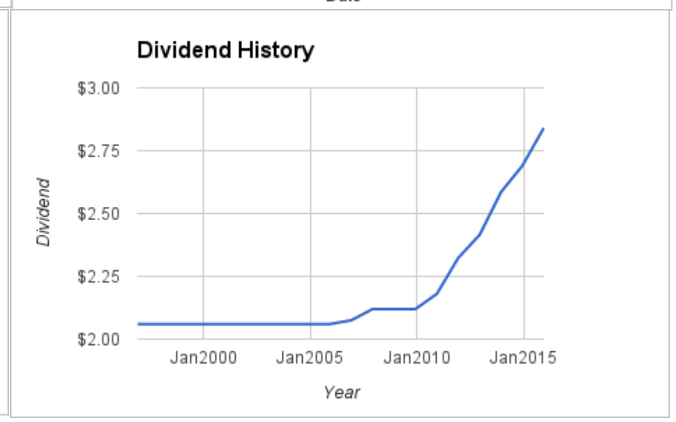
EPS History			EPSmg History		
Next Fiscal Year Estimate		$4.90	Next Fiscal Year Estimate		$4.47
	Dec2015	$4.05		Dec2015	$4.21
	Dec2014	$5.10		Dec2014	$4.22
	Dec2013	$3.76		Dec2013	$3.75
	Dec2012	$3.55		Dec2012	$3.70
	Dec2011	$4.18		Dec2011	$3.87
	Dec2010	$3.74		Dec2010	$3.70
	Dec2009	$3.24		Dec2009	$3.64
	Dec2008	$3.36		Dec2008	$3.70
	Dec2007	$5.70		Dec2007	$3.70
	Dec2006	$2.43		Dec2006	$2.79
	Dec2005	$3.05		Dec2005	$2.95
	Dec2004	$2.49		Dec2004	$2.93
	Dec2003	$3.09		Dec2003	$3.14
	Dec2002	$3.83		Dec2002	$3.15
	Dec2001	$2.16		Dec2001	$2.86
	Dec2000	$3.27		Dec2000	$3.11
	Dec1999	$3.33	**Balance Sheet Information**		**3/1/2016**
	Dec1998	$3.05	Total Current Assets		$2,362,000,000
	Dec1997	$2.88	Total Current Liabilities		$2,209,000,000
	Dec1996	$2.13	Long-Term Debt		$8,758,000,000
			Total Assets		$28,564,000,000
			Intangible Assets		$2,108,000,000
			Total Liabilities		$19,677,000,000
			Shares Outstanding (Diluted Average)		180,000,000











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

- 58 Companies in the Spotlight This Week – 1/31/15
- 5 Speculative and Overvalued Companies to Avoid – January 2015
- DTE Energy Holding Company Annual Valuation – 2015 $DTE
- 14 Companies in the Spotlight This Week – 10/11/14
- DTE Energy Holding Company Quarterly Stock Valuation – October 2014 $DTE

Other ModernGraham posts about related companies

- AES Corporation Valuation – July 2016 $AES
- FirstEnergy Corp Valuation – July 2016 $FE
- Edison International Valuation – July 2016 $EIX
- WEC Energy Group Inc Valuation – June 2016 $WEC
- CenterPoint Energy Inc Valuation – June 2016 $CNP
- Southern Company Valuation – June 2016 $SO
- CMS Energy Corp Valuation – June 2016 $CMS
- Xcel Energy Inc Valuation – May 2016 $XEL
- PPL Corporation Valuation – January 2016 Update $PPL
- Entergy Corp Valuation – January 2016 Update $ETR