

ModernGraham Valuation

Company Name:

Edison International

Company Ticker EIX

Date of Analysis

7/3/2016



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	\$25,292,725,963	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.57	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	23.41%	Fail
6. Moderate PEmg Ratio	PEmg < 20	22.76	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.23	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	0.57	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-6.23	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	\$3.41
MG Growth Estimate	15.00%
MG Value	\$131.34
MG Value based on 3% Growth	\$49.46
MG Value based on 0% Growth	\$29.00
Market Implied Growth Rate	7.13%

MG Opinion

Current Price	\$77.65
% of Intrinsic Value	59.12%
Opinion	Undervalued
MG Grade	C-

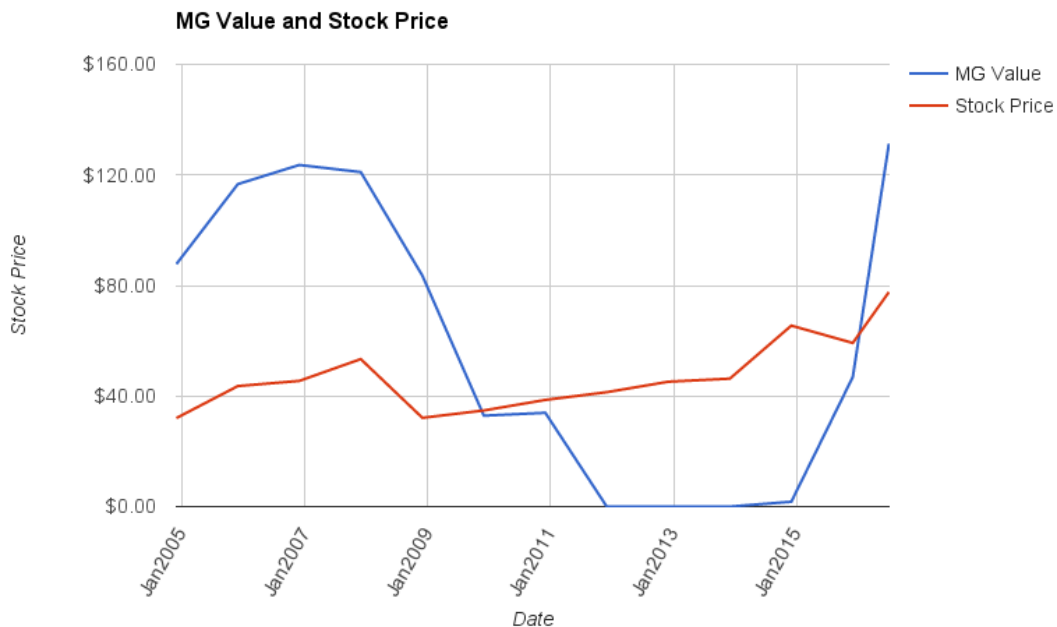
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$111.56
Graham Number	\$54.93
PEmg	22.76
Current Ratio	0.57
PB Ratio	2.23
Current Dividend	\$1.80
Dividend Yield	2.31%
Number of Consecutive Years of Dividend Growth	14

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.82	Next Fiscal Year Estimate	\$3.41
Dec2015	\$3.10	Dec2015	\$2.81
Dec2014	\$4.89	Dec2014	\$2.50
Dec2013	\$2.78	Dec2013	\$1.44
Dec2012	-\$0.56	Dec2012	\$1.14
Dec2011	-\$0.11	Dec2011	\$2.21
Dec2010	\$3.82	Dec2010	\$3.38
Dec2009	\$2.58	Dec2009	\$3.21
Dec2008	\$3.68	Dec2008	\$3.47
Dec2007	\$3.31	Dec2007	\$3.28
Dec2006	\$3.57	Dec2006	\$3.21
Dec2005	\$3.43	Dec2005	\$3.03
Dec2004	\$2.77	Dec2004	\$2.28
Dec2003	\$2.50	Dec2003	\$1.68
Dec2002	\$3.28	Dec2002	\$1.13
Dec2001	\$3.17	Dec2001	\$0.22
Dec2000	-\$5.84	Dec2000	-\$0.76
Dec1999	\$1.79	Balance Sheet Information 3/1/2016	
Dec1998	\$1.84	Total Current Assets	\$2,427,000,000
Dec1997	\$1.73	Total Current Liabilities	\$4,233,000,000
Dec1996	\$1.64	Long-Term Debt	\$11,243,000,000
		Total Assets	\$50,459,000,000
		Intangible Assets	\$0
		Total Liabilities	\$39,020,000,000
		Shares Outstanding (Diluted Average)	328,000,000





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:

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[Edison International Annual Valuation – 2015 \\$EIX](#)
[16 Companies in the Spotlight This Week – 4/26/14](#)
[Edison International \(EIX\) Annual Valuation – 2014](#)

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[PPL Corporation Valuation – January 2016 Update \\$PPL](#)
[Entergy Corp Valuation – January 2016 Update \\$ETR](#)
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