ModernGraham Valuation

Company Name:

Company Ticker GE Date of Analysis General Electric Company



7/21/2016

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	\$298,321,320,071 Pass	3
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.69 Fail	
3.	Earnings Stability	Positive EPS for 10 years prior	Fail	
4.	Dividend Record	Dividend Payments for 10 years prior	Pass	3
5.	Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-51.63% Fail	
6.	Moderate PEmg Ratio	PEmg < 20	36.78 Fail	
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.35 Fail	
Enterprising Investor; mu	ust pass 4 out of the following 5 tests, or be	e suitable for the Defensive Investor.		
1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.69 Pass	3
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.88 Fail	
3.	Earnings Stability	Positive EPS for 5 years prior	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		\$0.89
	MG Growth Estimate		-4.10%
	MG Value		\$0.26
	MG Value based on 3% Growth		\$12.85
	MG Value based on 0% Growth		\$7.53
	Market Implied Growth Rate		14.14%
MG Opinion			
	Current Price		\$32.59
	% of Intrinsic Value	123	10.46%
	Opinion	Overvalued	
	MG Grade	D	

Stage 3: Information for Further Research

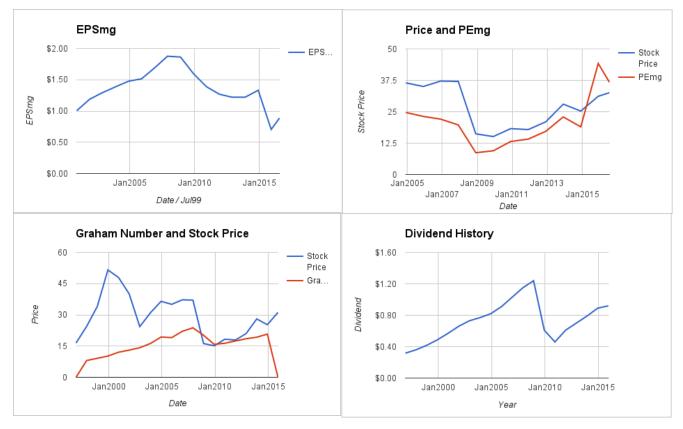
Net Current Asset Value (NCAV)	-\$20.80
Graham Number	\$18.16
PEmg	36.78
Current Ratio	1.69
PB Ratio	3.35
Current Dividend	\$0.92
Dividend Yield	2.82%
Number of Consecutive Years of Dividend Growth	6

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EPS History		EPSmg History	
Next Fiscal Year			* ••••
Estimate	+	Next Fiscal Year Estimate	\$0.89
Dec2015	-\$0.61	Dec2015	\$0.70
Dec2014	\$1.50	Dec2014	\$1.33
Dec2013	\$1.27	Dec2013	\$1.2
Dec2012	\$1.29	Dec2012	\$1.2
Dec2011	\$1.23	Dec2011	\$1.27
Dec2010	\$1.06	Dec2010	\$1.3
Dec2009	\$1.01	Dec2009	\$1.60
Dec2008	\$1.72	Dec2008	\$1.8
Dec2007	\$2.17	Dec2007	\$1.8
Dec2006	\$2.00	Dec2006	\$1.6
Dec2005	\$1.54	Dec2005	\$1.5
Dec2004	\$1.59	Dec2004	\$1.4
Dec2003	\$1.49	Dec2003	\$1.3
Dec2002	\$1.41	Dec2002	\$1.2
Dec2001	\$1.37	Dec2001	\$1.1
Dec2000	\$1.27	Dec2000	\$1.0
Dec1999	\$1.07	Balance Sheet Information	3/1/2010
Dec1998	\$0.93	Total Current Assets	\$176,186,000,00
Dec1997	\$0.82	Total Current Liabilities	\$104,279,000,00
Dec1996	\$0.00	Long-Term Debt	\$134,967,000,00
		Total Assets	\$462,193,000,00
		Intangible Assets	\$83,102,000,00
		Total Liabilities	\$371,105,000,00
		Shares Outstanding (Diluted Average)	9,372,000,000





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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