

ModernGraham Valuation

Company Name:

PG&E Corporation

Company Ticker

PCG

Date of Analysis

7/30/2016



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	\$31,617,754,436	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.94	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-12.59%	Fail
5. Earnings Growth	PEmg < 20	24.18	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.91	Pass
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	0.94	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-48.59	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	\$2.64
MG Growth Estimate	1.31%
MG Value	\$29.39
MG Value based on 3% Growth	\$38.35
MG Value based on 0% Growth	\$22.48
Market Implied Growth Rate	7.84%

MG Opinion

Current Price	\$63.94
% of Intrinsic Value	217.53%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$85.66
Graham Number	\$51.74
PEmg	24.18
Current Ratio	0.94
PB Ratio	1.91
Current Dividend	\$1.82
Dividend Yield	2.85%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.55	Next Fiscal Year Estimate	\$2.64
Dec2015	\$1.79	Dec2015	\$2.17
Dec2014	\$3.06	Dec2014	\$2.36
Dec2013	\$1.83	Dec2013	\$2.13
Dec2012	\$1.92	Dec2012	\$2.43
Dec2011	\$2.10	Dec2011	\$2.76
Dec2010	\$2.82	Dec2010	\$3.07
Dec2009	\$3.20	Dec2009	\$3.12
Dec2008	\$3.63	Dec2008	\$3.52
Dec2007	\$2.78	Dec2007	\$3.62
Dec2006	\$2.76	Dec2006	\$3.65
Dec2005	\$2.37	Dec2005	\$3.71
Dec2004	\$10.57	Dec2004	\$3.73
Dec2003	\$1.06	Dec2003	\$0.30
Dec2002	-\$2.36	Dec2002	\$0.09
Dec2001	\$3.02	Dec2001	\$1.29
Dec2000	-\$0.11	Dec2000	\$0.62
Dec1999	-\$0.27	Balance Sheet Information 3/1/2016	
Dec1998	\$1.88	Total Current Assets	\$5,634,000,000
Dec1997	\$1.75	Total Current Liabilities	\$5,974,000,000
Dec1996	\$1.75	Long-Term Debt	\$16,522,000,000
		Total Assets	\$64,650,000,000
		Intangible Assets	\$0
		Total Liabilities	\$48,038,000,000
		Shares Outstanding (Diluted Average)	495,000,000





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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