

# ModernGraham Valuation

## Company Name:

Company Ticker ED

Date of Analysis

8/20/2016

Consolidated Edison,  
Inc.



## 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	\$23,592,638,097	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.90	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	5.83%	Fail
6. Moderate PEmg Ratio	PEmg < 20	19.88	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.65	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	0.90	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-34.03	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.85
MG Growth Estimate	0.84%
<b>MG Value</b>	<b>\$39.19</b>
MG Value based on 3% Growth	\$55.79
MG Value based on 0% Growth	\$32.70
Market Implied Growth Rate	5.69%

### MG Opinion

Current Price	\$76.50
% of Intrinsic Value	195.22%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$99.27
Graham Number	\$65.66
PEmg	19.88
Current Ratio	0.90
PB Ratio	1.65
Current Dividend	\$2.64
Dividend Yield	3.45%
Number of Consecutive Years of Dividend Growth	20

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	\$3.86	Next Fiscal Year Estimate	\$3.85
Dec2015	\$4.05	Dec2015	\$3.81
Dec2014	\$3.71	Dec2014	\$3.68
Dec2013	\$3.61	Dec2013	\$3.62
Dec2012	\$3.86	Dec2012	\$3.64
Dec2011	\$3.57	Dec2011	\$3.56
Dec2010	\$3.47	Dec2010	\$3.53
Dec2009	\$3.14	Dec2009	\$3.50
Dec2008	\$4.37	Dec2008	\$3.52
Dec2007	\$3.47	Dec2007	\$2.99
Dec2006	\$2.95	Dec2006	\$2.74
Dec2005	\$2.94	Dec2005	\$2.68
Dec2004	\$2.27	Dec2004	\$2.61
Dec2003	\$2.38	Dec2003	\$2.81
Dec2002	\$3.02	Dec2002	\$3.03
Dec2001	\$3.21	Dec2001	\$3.03
Dec2000	\$2.74	Dec2000	\$2.94
Dec1999	\$3.13	<b>Balance Sheet Information 6/1/2016</b>	
Dec1998	\$3.04	Total Current Assets	\$3,499,000,000
Dec1997	\$2.95	Total Current Liabilities	\$3,903,000,000
Dec1996	\$2.93	Long-Term Debt	\$13,747,000,000
		Total Assets	\$47,270,000,000
		Intangible Assets	\$431,000,000
		Total Liabilities	\$33,320,000,000
		Shares Outstanding (Diluted Average)	300,400,000





**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**

- [Consolidated Edison Analysis – 2015 Update \\$ED](#)
- [21 Companies in the Spotlight This Week – June 14, 2014](#)
- [Consolidated Edison Annual Valuation – 2014 \\$ED](#)
- [19 Companies in the Spotlight This Week – 3/15/14](#)
- [Consolidated Edison \(ED\) Quarterly Valuation – March 2014](#)

**Other  
ModernGraham  
posts about related  
companies**

- [PG&E Corp Valuation – July 2016 \\$PCG](#)
- [SCANA Corporation Valuation – July 2016 \\$SCG](#)
- [Exelon Corporation Valuation – July 2016 \\$EXC](#)
- [DTE Energy Co Valuation – July 2016 \\$DTE](#)
- [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](#)