

ModernGraham Valuation

Company Name:

Enterprise Products
Partners L.P.



Company Ticker EPD

Date of Analysis

8/27/2016

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	\$55,863,105,086	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.85	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	102.64%	Pass
6. Moderate PEmg Ratio	PEmg < 20	20.81	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.55	Fail

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	0.85	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-20.75	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	\$1.28
MG Growth Estimate	3.99%
MG Value	\$21.05
MG Value based on 3% Growth	\$18.53
MG Value based on 0% Growth	\$10.86
Market Implied Growth Rate	6.15%

MG Opinion

Current Price	\$26.59
% of Intrinsic Value	126.30%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$11.37
Graham Number	\$16.10
PEmg	20.81
Current Ratio	0.85
PB Ratio	2.55
Current Dividend	\$1.55
Dividend Yield	5.83%
Number of Consecutive Years of Dividend Growth	20

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.11	Next Fiscal Year Estimate	\$1.28
Dec2015	\$1.26	Dec2015	\$1.35
Dec2014	\$1.47	Dec2014	\$1.33
Dec2013	\$1.41	Dec2013	\$1.18
Dec2012	\$1.35	Dec2012	\$1.01
Dec2011	\$1.19	Dec2011	\$0.80
Dec2010	\$0.58	Dec2010	\$0.61
Dec2009	\$0.50	Dec2009	\$0.62
Dec2008	\$0.92	Dec2008	\$0.65
Dec2007	\$0.48	Dec2007	\$0.49
Dec2006	\$0.61	Dec2006	\$0.46
Dec2005	\$0.46	Dec2005	\$0.39
Dec2004	\$0.44	Dec2004	\$0.38
Dec2003	\$0.21	Dec2003	\$0.39
Dec2002	\$0.24	Dec2002	\$0.46
Dec2001	\$0.70	Dec2001	\$0.50
Dec2000	\$0.66	Dec2000	\$0.34
Dec1999	\$0.41	Balance Sheet Information 6/1/2016	
Dec1998	\$0.05	Total Current Assets	\$5,969,700,000
Dec1997	\$0.00	Total Current Liabilities	\$7,026,000,000
Dec1996	\$0.00	Long-Term Debt	\$21,922,100,000
		Total Assets	\$51,400,800,000
		Intangible Assets	\$9,693,500,000
		Total Liabilities	\$29,676,600,000
		Shares Outstanding (Diluted Average)	2,085,100,000





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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company

[Enterprise Products Partners LP Analysis – Initial Coverage \\$EPD](#)

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