

ModernGraham Valuation

Company Name:

Eversource Energy

Company Ticker ES

Date of Analysis

8/25/2016



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 | \$17,551,064,642 Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 1.05 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 | 58.22% Pass |
| 5. Earnings Growth | PEmg < 20 | 20.80 Fail |
| 6. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.67 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 | 1.05 Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 84.62 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 | \$2.66 |
| MG Growth Estimate | 4.67% |
| MG Value | \$47.39 |
| MG Value based on 3% Growth | \$38.52 |
| MG Value based on 0% Growth | \$22.58 |
| Market Implied Growth Rate | 6.15% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$55.27 |
| % of Intrinsic Value | 116.63% |
| Opinion | Overvalued |
| MG Grade | D+ |

Stage 3: Information for Further Research

| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$56.39 |
| Graham Number | \$46.01 |
| PEmg | 20.80 |
| Current Ratio | 1.05 |
| PB Ratio | 1.67 |
| Current Dividend | \$1.73 |
| Dividend Yield | 3.12% |
| Number of Consecutive Years of Dividend Growth | 19 |

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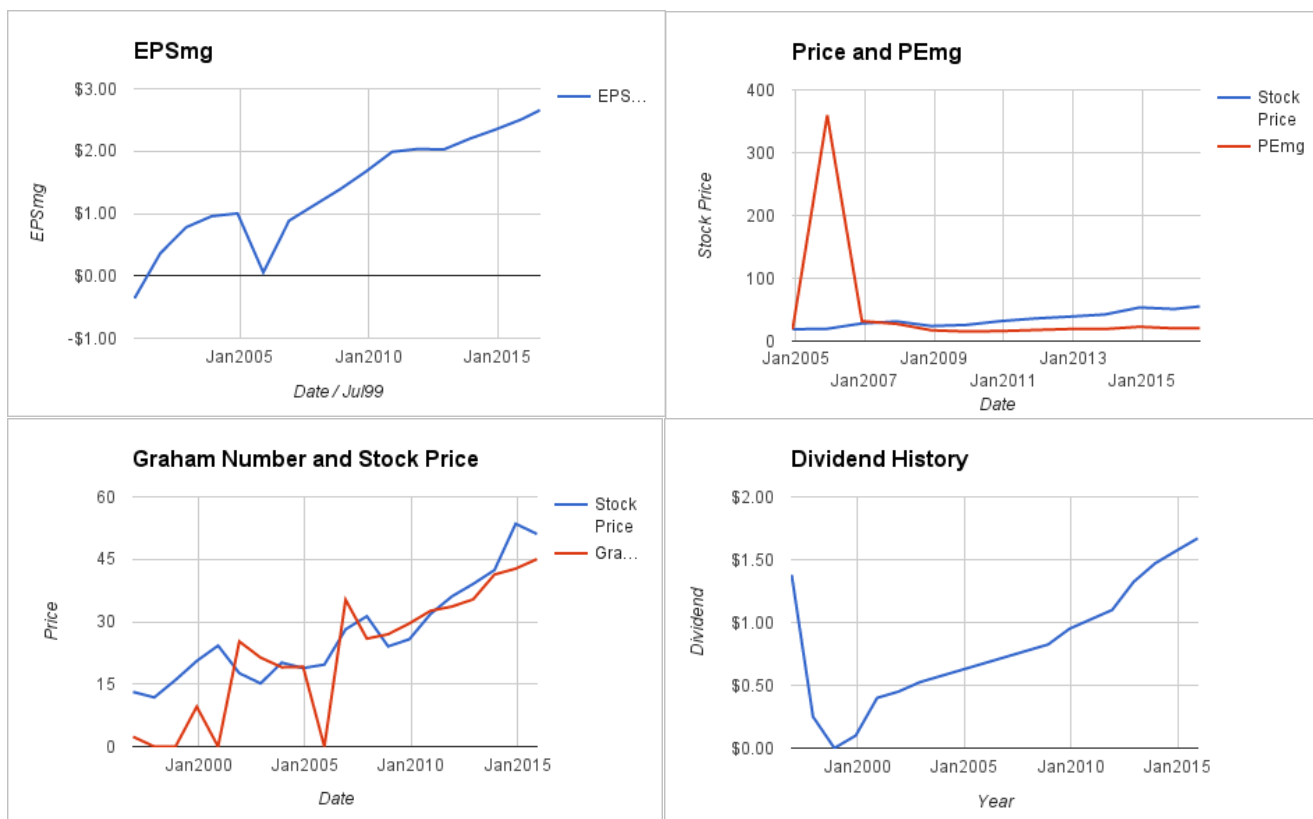
[Seeking Alpha](#)

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| EPS History | | EPSmg History | |
|---------------------------|---------|---|------------------|
| Next Fiscal Year Estimate | \$2.84 | Next Fiscal Year Estimate | \$2.66 |
| Dec2015 | \$2.76 | Dec2015 | \$2.51 |
| Dec2014 | \$2.58 | Dec2014 | \$2.34 |
| Dec2013 | \$2.49 | Dec2013 | \$2.20 |
| Dec2012 | \$1.89 | Dec2012 | \$2.03 |
| Dec2011 | \$2.22 | Dec2011 | \$2.03 |
| Dec2010 | \$2.19 | Dec2010 | \$1.99 |
| Dec2009 | \$1.91 | Dec2009 | \$1.68 |
| Dec2008 | \$1.67 | Dec2008 | \$1.39 |
| Dec2007 | \$1.59 | Dec2007 | \$1.14 |
| Dec2006 | \$3.05 | Dec2006 | \$0.88 |
| Dec2005 | -\$1.93 | Dec2005 | \$0.05 |
| Dec2004 | \$0.91 | Dec2004 | \$1.00 |
| Dec2003 | \$0.91 | Dec2003 | \$0.96 |
| Dec2002 | \$1.18 | Dec2002 | \$0.78 |
| Dec2001 | \$1.74 | Dec2001 | \$0.36 |
| Dec2000 | -\$0.20 | Dec2000 | -\$0.36 |
| Dec1999 | \$0.26 | Balance Sheet Information 6/1/2016 | |
| Dec1998 | -\$1.12 | Total Current Assets | \$2,415,284,000 |
| Dec1997 | -\$1.05 | Total Current Liabilities | \$2,303,769,000 |
| Dec1996 | \$0.01 | Long-Term Debt | \$9,435,924,000 |
| | | Total Assets | \$30,882,663,000 |
| | | Intangible Assets | \$3,519,401,000 |
| | | Total Liabilities | \$20,373,255,000 |
| | | Shares Outstanding (Diluted Average) | 318,477,000 |





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

[Eversource Energy Analysis – Initial Coverage \\$ES](#)

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[NiSource Inc Valuation – August 2016 \\$NI](#)
[Consolidated Edison Inc Valuation – August 2016 \\$ED](#)
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