

ModernGraham Valuation

Company Name:

NiSource Inc.

Company Ticker NI

Date of Analysis

8/24/2016



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	\$7,938,740,415	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.47	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	60.89%	Pass
6. Moderate PEmg Ratio	PEmg < 20	19.91	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.10	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	0.47	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-4.08	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.24
MG Growth Estimate	2.52%
MG Value	\$16.83
MG Value based on 3% Growth	\$18.03
MG Value based on 0% Growth	\$10.57
Market Implied Growth Rate	5.71%

MG Opinion

Current Price	\$24.76
% of Intrinsic Value	147.14%
Opinion	Overvalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$38.86
Graham Number	\$16.72
PEmg	19.91
Current Ratio	0.47
PB Ratio	2.10
Current Dividend	\$0.62
Dividend Yield	2.50%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

[ModernGraham tagged articles](#)

[Morningstar](#)

[Google Finance](#)

[MSN Money](#)

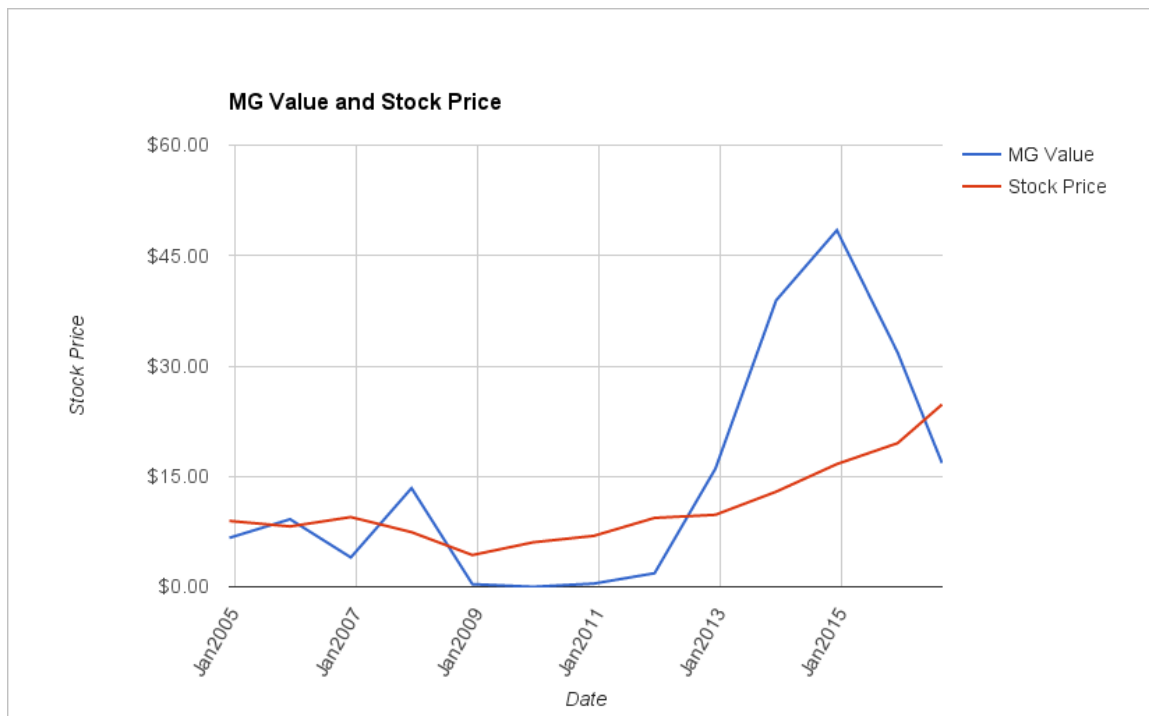
[Yahoo Finance](#)

[Seeking Alpha](#)

[GuruFocus](#)

[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.05	Next Fiscal Year Estimate	\$1.24
Dec2015	\$0.90	Dec2015	\$1.34
Dec2014	\$1.67	Dec2014	\$1.49
Dec2013	\$1.70	Dec2013	\$1.33
Dec2012	\$1.39	Dec2012	\$1.06
Dec2011	\$1.03	Dec2011	\$0.89
Dec2010	\$1.01	Dec2010	\$0.83
Dec2009	\$0.79	Dec2009	\$0.79
Dec2008	\$0.29	Dec2008	\$0.87
Dec2007	\$1.17	Dec2007	\$1.13
Dec2006	\$1.03	Dec2006	\$1.13
Dec2005	\$1.12	Dec2005	\$1.18
Dec2004	\$1.64	Dec2004	\$1.20
Dec2003	\$0.33	Dec2003	\$1.02
Dec2002	\$1.75	Dec2002	\$1.36
Dec2001	\$1.03	Dec2001	\$1.21
Dec2000	\$1.11	Dec2000	\$1.33
Dec1999	\$1.27	Balance Sheet Information 6/1/2016	
Dec1998	\$1.59	Total Current Assets	\$1,259,600,000
Dec1997	\$1.53	Total Current Liabilities	\$2,696,200,000
Dec1996	\$1.43	Long-Term Debt	\$5,857,200,000
		Total Assets	\$17,617,200,000
		Intangible Assets	\$1,937,100,000
		Total Liabilities	\$13,806,600,000
		Shares Outstanding (Diluted Average)	322,900,000





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

[NiSource Analysis – 2015 Update \\$NI](#)
[NiSource Inc. Annual Valuation – 2014 \\$NI](#)

Other
ModernGraham
posts about related
companies

[Consolidated Edison Inc Valuation – August 2016 \\$ED](#)
[Ameren Corp Valuation – August 2016 \\$AEE](#)
[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](#)