ModernGraham Valuation

Company Name:

Public Service Enterprise Group Inc.



Company Ticker
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.

PEG

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$21,937,118,954 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.12 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	

5. Earnings Growth beginning and end 8.64% Fail
6. Moderate PEmg Ratio PEmg < 20 15.51 Pass

7. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 1.66 Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.12 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	27.84 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	Fail

Suitability

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.81
MG Growth Estimate	-0.04%
MG Value	\$23.63
MG Value based on 3% Growth	\$40.73
MG Value based on 0% Growth	\$23.87
Market Implied Growth Rate	3.50%
Current Price	\$43.56

% of Intrinsic Value 184.31%

Opinion Overvalued MG Grade D+

Stage 3: Information for Further Research

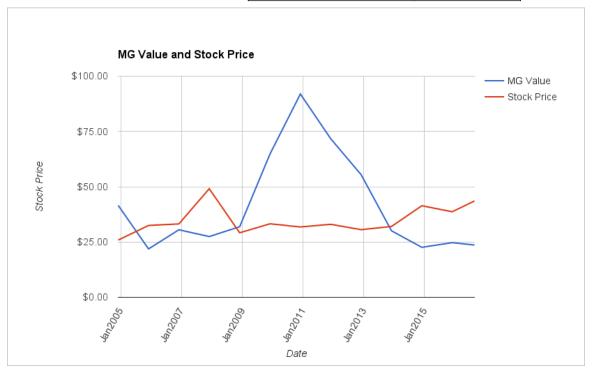
Net Current Asset Value (NCAV)	-\$43.78
Graham Number	\$38.59
PEmg	15.51
Current Ratio	1.12
PB Ratio	1.66
Current Dividend	\$1.60
Dividend Yield	3.67%
Number of Consecutive Years of Dividend Growth	5

Useful Links: ModernGraham tagged articles

Google Finance
Yahoo Finance
GuruFocus

Morningstar
MSN Money
Seeking Alpha
SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.51	Next Fiscal Year Estimate	\$2.81
Dec2015	\$3.30		\$2.92
Dec2014	\$2.99	Dec2014	\$2.75
Dec2013	\$2.45	Dec2013	\$2.70
Dec2012	\$2.51	Dec2012	\$2.82
Dec2011	\$2.96	Dec2011	\$2.92
Dec2010	\$3.08	Dec2010	\$2.78
Dec2009	\$3.14	Dec2009	\$2.48
Dec2008	\$2.34	Dec2008	\$2.05
Dec2007	\$2.62	Dec2007	\$1.90
Dec2006	\$1.46	Dec2006	\$1.53
Dec2005	\$1.35	Dec2005	\$1.56
Dec2004	\$1.52	Dec2004	\$1.66
Dec2003	\$2.54	Dec2003	\$1.59
Dec2002	\$0.57	Dec2002	\$1.10
Dec2001	\$1.84	Dec2001	\$1.32
Dec2000	\$1.79	Dec2000	\$1.07
Dec1999	-\$0.19	Balance Sheet Information	6/1/2016
Dec1998	\$1.40	Total Current Assets	\$3,489,000,000
Dec1997	\$1.21	Total Current Liabilities	\$3,120,000,000
Dec1996	\$1.26	Long-Term Debt	\$10,273,000,000
		Total Assets	\$39,045,000,000
		Intangible Assets	\$147,000,000
		Total Liabilities	\$25,727,000,000
		Shares Outstanding (Diluted Average)	508,000,000





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.

Recommended Reading:

Other ModernGraham posts about the company Public Service Enterprise Group Inc. Analysis – 2015 Update \$PEG Public Service Enterprise Group Inc. Annual Valuation – 2014 \$PEG

Other ModernGraham posts about related companies NiSource Inc Valuation - August 2016 \$NI

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