# **ModernGraham Valuation**

## **Company Name:**

Company Ticker SJI Date of Analysis South Jersey Industries 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.

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	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$2,546,603,539 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.44 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	years using 3 year averages at beginning and end	31.72% Fail
	6. Moderate PEmg Ratio	PEmg < 20	22.17 Fail
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.99 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	0.44 Fail
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-1.78 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
		Score	
Suitability			
	Defensive	No	
	Enterprising	No	
Stage 2: Deter	mination of Intrinsic Value		
	EPSmg	\$1.43	
	MG Growth Estimate	1.11%	
	MG Value	\$15.31	
	MG Value based on 3% Growth	\$20.69	
	MG Value based on 0% Growth	\$12.13	
	Market Implied Growth Rate	6.83%	
MG Opinion		<b>*</b> 24.22	
	Current Price	\$31.63	
	% of Intrinsic Value	206.61% Overvalued	
	Opinion MG Grade	D+	
	MG Grade	D+	
Stage 3: Inform	nation for Further Research		
	Net Current Asset Value (NCAV)	-\$24.26	
	Graham Number	\$22.25	
	PEmg	22.17	
	Current Ratio	0.44	
	PB Ratio	1.99	

18

\$1.06

3.34%

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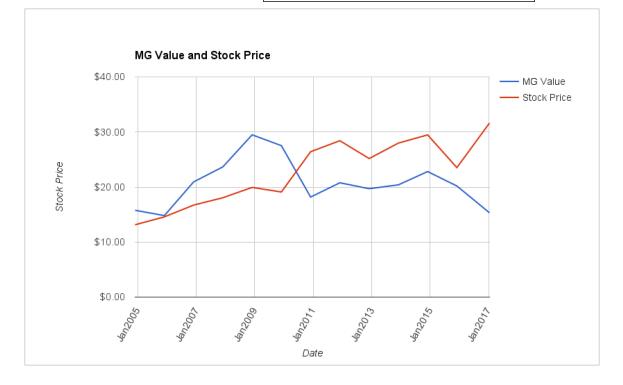
Current Dividend

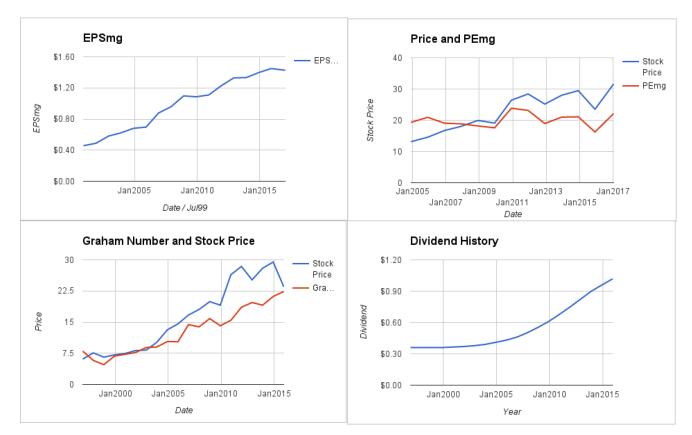
Number of Consecutive Years of Dividend

Dividend Yield

Growth

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$1.38	Next Fiscal Year Estimate	\$1.43
Dec2015	\$1.52	Dec2015	\$1.4
Dec2014	\$1.46	Dec2014	\$1.40
Dec2013	\$1.28	Dec2013	\$1.3
Dec2012	\$1.49	Dec2012	\$1.3
Dec2011	\$1.49	Dec2011	\$1.2
Dec2010	\$1.11	Dec2010	\$1.1
Dec2009	\$0.97	Dec2009	\$1.0
Dec2008	\$1.29	Dec2008	\$1.1
Dec2007	\$1.05	Dec2007	\$0.9
Dec2006	\$1.22	Dec2006	\$0.8
Dec2005	\$0.69	Dec2005	\$0.7
Dec2004	\$0.77	Dec2004	\$0.6
Dec2003	\$0.64	Dec2003	\$0.6
Dec2002	\$0.72	Dec2002	\$0.5
Dec2001	\$0.57	Dec2001	\$0.4
Dec2000	\$0.53	Dec2000	\$0.4
Dec1999	\$0.50	Balance Sheet Information	9/1/201
Dec1998	\$0.26	Total Current Assets	\$357,764,00
Dec1997	\$0.37	Total Current Liabilities	\$812,397,00
Dec1996	\$0.71	Long-Term Debt	\$808,704,00
		Total Assets	\$3,557,116,00
		Intangible Assets	\$24,242,00
		Total Liabilities	\$2,289,737,00
		Shares Outstanding (Diluted Average)	79,635,000





#### 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 #N/A

Other ModernGraham posts about related companies Secure Energy Services Inc Valuation – Initial Coverage \$TSE:SES Surge Energy Inc Valuation – Initial Coverage \$TSE:SGY Range Resources Corp Valuation – January 2017 \$RRC Seacor Holdings Inc Valuation – Initial Coverage \$CKH Inter Pipeline Ltd Valuation – Initial Coverage \$CKE CIRCOR International Inc Valuation – Initial Coverage \$CIR National-Oilwell Varco Valuation – December 2016 \$NOV Canadian Energy Services & Technology Corp Valuation – Initial Coverage \$CEU WPX Energy Inc Valuation – September 2016 \$WPX Newfield Exploration Co Valuation – December 2016 \$NFX