

# ModernGraham Valuation

## Company Name:

Company Ticker SJJ  
Date of Analysis

South Jersey  
Industries Inc

1/12/2017



## 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	\$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 years using 3 year averages at beginning and end	31.72%	Fail
5. Earnings Growth	PEmg < 20	22.17	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.99	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	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.43
MG Growth Estimate	1.11%
<b>MG Value</b>	<b>\$15.31</b>
MG Value based on 3% Growth	\$20.69
MG Value based on 0% Growth	\$12.13
Market Implied Growth Rate	6.83%

### MG Opinion

Current Price	\$31.63
% of Intrinsic Value	206.61%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information 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
Current Dividend	\$1.06
Dividend Yield	3.34%
Number of Consecutive Years of Dividend Growth	18

### 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	\$1.38	Next Fiscal Year Estimate	\$1.43
Dec2015	\$1.52	Dec2015	\$1.45
Dec2014	\$1.46	Dec2014	\$1.40
Dec2013	\$1.28	Dec2013	\$1.33
Dec2012	\$1.49	Dec2012	\$1.33
Dec2011	\$1.49	Dec2011	\$1.23
Dec2010	\$1.11	Dec2010	\$1.11
Dec2009	\$0.97	Dec2009	\$1.09
Dec2008	\$1.29	Dec2008	\$1.10
Dec2007	\$1.05	Dec2007	\$0.96
Dec2006	\$1.22	Dec2006	\$0.88
Dec2005	\$0.69	Dec2005	\$0.70
Dec2004	\$0.77	Dec2004	\$0.68
Dec2003	\$0.64	Dec2003	\$0.62
Dec2002	\$0.72	Dec2002	\$0.58
Dec2001	\$0.57	Dec2001	\$0.49
Dec2000	\$0.53	Dec2000	\$0.46
Dec1999	\$0.50	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$0.26	Total Current Assets	\$357,764,000
Dec1997	\$0.37	Total Current Liabilities	\$812,397,000
Dec1996	\$0.71	Long-Term Debt	\$808,704,000
		Total Assets	\$3,557,116,000
		Intangible Assets	\$24,242,000
		Total Liabilities	\$2,289,737,000
		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 \\$TSE:IPL](#)

[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](#)