

ModernGraham Valuation

Company Name:

Entergy Corporation

Company Ticker ETR

Date of Analysis

4/9/2017



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	\$13,695,411,982	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.15	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-100.73%	Fail
5. Earnings Growth	PEmg < 20	60.06	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.68	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	1.15	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	29.88	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.26
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$18.34
MG Value based on 0% Growth	\$10.75
Market Implied Growth Rate	25.78%

MG Opinion

Current Price	\$75.95
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$190.84
Graham Number	\$64.59
PEmg	60.06
Current Ratio	1.15
PB Ratio	1.68
Current Dividend	\$3.42
Dividend Yield	4.50%
Number of Consecutive Years of Dividend Growth	3

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		Next Fiscal Year Estimate	
Dec2016	\$4.11	Dec2016	\$1.26
Dec2015	-\$3.26	Dec2015	\$0.54
Dec2014	-\$0.99	Dec2014	\$3.00
Dec2013	\$5.22	Dec2013	\$5.21
Dec2012	\$3.99	Dec2012	\$5.42
Dec2011	\$4.76	Dec2011	\$6.19
Dec2010	\$7.55	Dec2010	\$6.75
Dec2009	\$6.66	Dec2009	\$6.24
Dec2008	\$6.30	Dec2008	\$5.87
Dec2007	\$6.20	Dec2007	\$5.45
Dec2006	\$5.60	Dec2006	\$4.93
Dec2005	\$5.36	Dec2005	\$4.40
Dec2004	\$4.19	Dec2004	\$3.81
Dec2003	\$3.93	Dec2003	\$3.54
Dec2002	\$4.01	Dec2002	\$3.23
Dec2001	\$2.64	Dec2001	\$2.84
Dec2000	\$3.23	Dec2000	\$2.79
Dec1999	\$2.97	Balance Sheet Information 12/1/2016	
Dec1998	\$2.25	Total Current Assets	\$3,684,268,000
Dec1997	\$3.00	Total Current Liabilities	\$3,200,096,000
	\$1.03	Long-Term Debt	\$14,467,655,000
		Total Assets	\$45,904,434,000
		Intangible Assets	\$377,172,000
		Total Liabilities	\$37,822,625,000
		Shares Outstanding (Diluted Average)	178,886,000





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:

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ModernGraham
posts about the
company

[Entergy Corp Valuation – January 2016 Update \\$ETR](#)
[5 Speculative and Overvalued Companies to Avoid – December 2014](#)
[32 Companies in the Spotlight This Week – 12/6/14](#)
[Entergy Corporation Annual Valuation – 2014 \\$ETR](#)
[10 Companies in the Spotlight This Week – 11/30/2013](#)

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[TransAlta Corporation – Initial Coverage \\$TSE:TA](#)
[Pinnacle West Corp Valuation – March 2017 \\$PNW](#)
[NiSource Inc Valuation – March 2017 \\$NI](#)
[Canadian Utilities Ltd Valuation – Initial Coverage \\$TSE:CU](#)
[American Electric Power Company Inc Valuation – March 2017 \\$AEP](#)
[American Water Works Company Inc Valuation – Initial Coverage \\$AWK](#)
[Alliant Energy Corp Valuation – Initial Coverage \\$LNT](#)
[Consolidated Edison Inc Valuation – February 2017 \\$ED](#)
[Duke Energy Corp Valuation – February 2017 \\$DUK](#)