ModernGraham Valuation

Company Name:

PPL Corp

Company Ticker PPL Date of Analysis 6/29/2017



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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$26,235,300,969 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.52 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	
Earnings Growth	beginning and end	5.42% Fail
6. Moderate PEmg Ratio	PEmg < 20	17.91 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.61 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	0.52 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-8.85 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
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\$38.58

220.15%

Score

Suitability

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.15
MG Growth Estimate	-0.18%
MG Value	\$17.52
MG Value based on 3% Growth	\$31.24
MG Value based on 0% Growth	\$18.31
Market Implied Growth Rate	4.70%

% of Intrinsic Value Opinion Overvalued

MG Grade

Stage 3: Information for Further Research

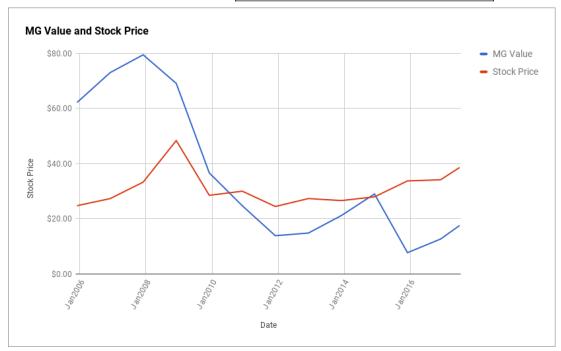
Current Price

Net Current Asset Value (NCAV)	-\$39.08
Graham Number	\$27.03
PEmg	17.91
Current Ratio	0.52
PB Ratio	2.61
Current Dividend	\$1.52
Dividend Yield	3.94%
Number of Consecutive Years of Dividend	
Growth	5

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	\$2.15
Dec2016	\$2.79	Dec2016	\$2.13
Dec2015	\$1.01	Dec2015	\$1.91
Dec2014	\$2.61	Dec2014	\$2.36
Dec2013	\$1.76	Dec2013	\$2.18
Dec2012	\$2.60	Dec2012	\$2.33
Dec2011	\$2.70	Dec2011	\$2.25
Dec2010	\$2.17	Dec2010	\$2.10
Dec2009	\$1.08	Dec2009	\$2.10
Dec2008	\$2.47	Dec2008	\$2.51
Dec2007	\$3.35	Dec2007	\$2.44
Dec2006	\$2.24	Dec2006	\$1.90
Dec2005	\$1.65	Dec2005	\$1.62
Dec2004	\$1.87	Dec2004	\$1.54
Dec2003	\$2.18	Dec2003	\$1.35
Dec2002	\$0.68	Dec2002	\$0.81
Dec2001	\$0.61	Dec2001	\$0.78
Dec2000	\$1.72	Balance Sheet Information	3/1/2017
Dec1999	\$1.42	Total Current Assets	\$2,227,000,000
Dec1998	-\$1.73	Total Current Liabilities	\$4,256,000,000
Dec1997	\$0.90	Long-Term Debt	\$17,958,000,000
	<u> </u>	Total Assets	\$39,034,000,000
		Intangible Assets	\$3,694,000,000
		Total Liabilities	\$28,925,000,000
		Shares Outstanding (Diluted Average)	683,084,000





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 PPL Corporation Valuation – January 2016 Update \$PPL 26 Companies in the Spotlight This Week – 12/13/14
PPL Corporation Annual Valuation – 2014 \$PPL

Other ModernGraham posts about related companies Entergy Corp Valuation - April 2017 \$ETR

<u>California Water Service Group Valuation – Initial Coverage \$CWT</u>

<u>TransAlta Corporation – Initial Coverage \$TSE:TA</u>

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