

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.

1. 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 beginning and end	5.42%	Fail
5. Earnings Growth	PEmg < 20	17.91	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.61	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	0.52	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 Score		Fail

Suitability

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%

MG Opinion

Current Price	\$38.58
% of Intrinsic Value	220.15%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

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	\$2.23	Dec2016	\$2.13
Dec2015	\$2.79	Dec2015	\$1.91
Dec2014	\$1.01	Dec2014	\$2.36
Dec2013	\$2.61	Dec2013	\$2.18
Dec2012	\$1.76	Dec2012	\$2.33
Dec2011	\$2.60	Dec2011	\$2.25
Dec2010	\$2.70	Dec2010	\$2.10
Dec2009	\$2.17	Dec2009	\$2.10
Dec2008	\$1.08	Dec2008	\$2.51
Dec2007	\$2.47	Dec2007	\$2.44
Dec2006	\$3.35	Dec2006	\$1.90
Dec2005	\$2.24	Dec2005	\$1.62
Dec2004	\$1.65	Dec2004	\$1.54
Dec2003	\$1.87	Dec2003	\$1.35
Dec2002	\$2.18	Dec2002	\$0.81
Dec2001	\$0.68	Dec2001	\$0.78
Dec2000	\$0.61	Balance Sheet Information	
Dec1999	\$1.72	3/1/2017	
Dec1998	\$1.42	Total Current Assets	\$2,227,000,000
Dec1997	-\$1.73	Total Current Liabilities	\$4,256,000,000
	\$0.90	Long-Term Debt	\$17,958,000,000
		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](#)
- [California Water Service Group Valuation – Initial Coverage \\$CWT](#)
- [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](#)