

# ModernGraham Valuation

Prudential Financial  
Inc



Company Name:

Company Ticker PRU

Date of Analysis

7/19/2017

## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass all 6 of the following tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$47,603,207,806	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. 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		
4. Earnings Growth		215.07%	Pass
5. Moderate PEmg Ratio	PEmg < 20	12.36	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.04	Pass

*Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.*

1. Earnings Stability	Positive EPS for 5 years prior		Fail
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

Defensive	No
Enterprising	No

## Stage 2: Determination of Intrinsic Value

EPSmg	9.00
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$346.53</b>
MG Value based on 3% Growth	\$130.51
MG Value based on 0% Growth	\$76.51
Market Implied Growth Rate	1.93%

### MG Opinion

Current Price	\$111.29
% of Intrinsic Value	32.12%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C</b>

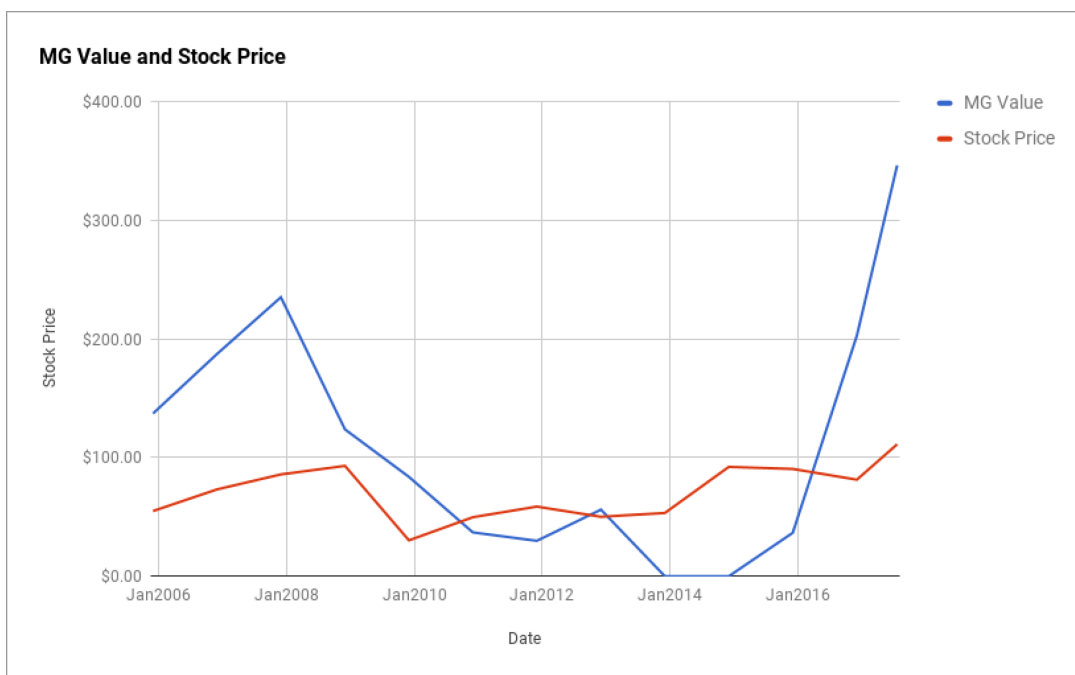
## Stage 3: Information for Further Research

Graham Number	\$162.19
PEmg	12.36
PB Ratio	1.04
Dividend Yield	2.52%
Number of Consecutive Years of Dividend Growth	8

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$10.95	Next Fiscal Year Estimate	\$9.00
Dec2016	\$9.71	Dec2016	\$6.99
Dec2015	\$12.17	Dec2015	\$5.22
Dec2014	\$3.23	Dec2014	\$2.17
Dec2013	-\$1.55	Dec2013	\$2.39
Dec2012	\$1.01	Dec2012	\$4.15
Dec2011	\$7.12	Dec2011	\$5.49
Dec2010	\$5.32	Dec2010	\$4.75
Dec2009	\$7.63	Dec2009	\$4.68
Dec2008	-\$2.53	Dec2008	\$3.55
Dec2007	\$7.61	Dec2007	\$6.11
Dec2006	\$6.50	Dec2006	\$4.87
Dec2005	\$6.34	Dec2005	\$3.56
Dec2004	\$3.31	Dec2004	\$1.89
Dec2003	\$1.98	Dec2003	\$1.01
Dec2002	\$1.25	Dec2002	\$0.44
Dec2001	\$0.07	Dec2001	\$0.02
Dec2000	\$0.00		
Dec1999	\$0.00		
Dec1998	\$0.00		
Dec1997	\$0.00		
		<b>Balance Sheet Information 3/1/2017</b>	
		Long-Term Debt & Capital Lease Obligation	\$20,072,000,000
		Total Assets	\$797,365,000,000
		Intangible Assets	\$0
		Total Liabilities	\$750,581,000,000
		Shares Outstanding (Diluted Average)	439,100,000





**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**

[Prudential Financial Inc Valuation – February 2016 \\$PRU](#)  
[5 Speculative and Overvalued Companies to Avoid – December 2014](#)  
[27 Companies in the Spotlight This Week – 12/20/14](#)  
[Prudential Financial Inc. Annual Valuation – 2014 \\$PRU](#)

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[American International Group Inc Valuation – March 2017 \\$AIG](#)  
[Torchmark Corporation Valuation – March 2017 \\$TMK](#)  
[Humana Inc Valuation – Initial Coverage \\$HUM](#)  
[Chubb Ltd Valuation – March 2017 \\$CB](#)  
[Stewart Information Services Corp Valuation – Initial Coverage \\$STC](#)  
[Loews Corporation – February 2017 \\$L](#)  
[Kemper Corp Valuation – Initial Coverage \\$KMPR](#)  
[CNO Financial Group Inc Valuation – January 2017 \\$CNO](#)  
[Anthem Inc Valuation – January 2017 \\$ANTM](#)