

# ModernGraham Valuation

Company Name:

AES Corp

Company Ticker AES

Date of Analysis

3/25/2018



## 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	\$7,079,344,175	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.06	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-322.64%	Fail
5. Earnings Growth	PEmg < 20	-34.51	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.87	Fail
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	1.06	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	48.11	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.31
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$4.50
MG Value based on 0% Growth	-\$2.64
Market Implied Growth Rate	-21.50%

### MG Opinion

Current Price	\$10.72
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$36.74
Graham Number	\$9.70
PEmg	-34.51
Current Ratio	1.06
PB Ratio	2.87
Current Dividend	\$0.48
Dividend Yield	4.48%
Number of Consecutive Years of Dividend Growth	6

### 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		Next Fiscal Year Estimate	
Dec2017	\$1.12	Dec2017	-\$0.31
Dec2016	-\$1.76	Dec2016	-\$0.81
Dec2015	-\$1.72	Dec2015	-\$0.30
Dec2014	\$0.44	Dec2014	\$0.30
Dec2013	\$1.06	Dec2013	\$0.16
Dec2012	\$0.15	Dec2012	-\$0.19
Dec2011	-\$1.21	Dec2011	-\$0.13
Dec2010	\$0.07	Dec2010	\$0.46
Dec2009	\$0.01	Dec2009	\$0.63
Dec2008	\$0.98	Dec2008	\$0.89
Dec2007	\$1.82	Dec2007	\$0.78
Dec2006	-\$0.14	Dec2006	\$0.23
Dec2005	\$0.37	Dec2005	-\$0.17
Dec2004	\$0.83	Dec2004	-\$0.73
Dec2003	\$0.46	Dec2003	-\$1.39
Dec2002	-\$0.78	Dec2002	-\$1.92
Dec2001	-\$7.50	Dec2001	-\$1.93
Dec2000	\$0.36	<b>Balance Sheet Information</b>	
Dec1999	\$1.69	<b>12/1/2017</b>	
Dec1998	\$0.58	Total Current Assets	\$6,398,000,000
	\$0.85	Total Current Liabilities	\$6,028,000,000
		Long-Term Debt	\$17,801,000,000
		Total Assets	\$33,112,000,000
		Intangible Assets	\$1,425,000,000
		Total Liabilities	\$30,647,000,000
		Shares Outstanding (Diluted Average)	660,000,000





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

[AES Corporation Annual Valuation – 2015 \\$AEP](#)  
[14 Companies in the Spotlight This Week – 1/11/14](#)  
[ModernGraham Valuation: AES Corp \(AES\)](#)

Other  
ModernGraham  
posts about related  
companies

[FirstEnergy Corp Valuation – March 2018 \\$FE](#)  
[Edison International Valuation – March 2018 \\$EIX](#)  
[WEC Energy Group Inc Valuation – March 2018 \\$WEC](#)  
[CenterPoint Energy Inc Valuation – March 2018 \\$CNP](#)  
[Southern Co Valuation – March 2018 \\$SO](#)  
[CMS Energy Corp Valuation – March 2018 \\$CMS](#)  
[SCANA Corp Valuation – March 2018 \\$SCG](#)  
[Xcel Energy Inc Valuation – February 2018 \\$XEL](#)  
[Atmos Energy Corp Valuation – Initial Coverage \\$ATO](#)  
[PNM Resources Inc Valuation – Initial Coverage \\$PNM](#)