

ModernGraham Valuation

Company Name:

DTE Energy Co

Company Ticker

DTE

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	\$18,134,129,375	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.10	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	51.25%	Pass
5. Earnings Growth	PEmg < 20	18.58	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.90	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	1.10	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	45.29	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		Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.44
MG Growth Estimate	4.34%
MG Value	\$93.53
MG Value based on 3% Growth	\$78.90
MG Value based on 0% Growth	\$46.25
Market Implied Growth Rate	5.04%

MG Opinion

Current Price	\$101.09
% of Intrinsic Value	108.08%
Opinion	Fairly Valued
MG Grade	B

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$118.29
Graham Number	\$82.68
PEmg	18.58
Current Ratio	1.10
PB Ratio	1.90
Current Dividend	\$3.36
Dividend Yield	3.32%
Number of Consecutive Years of Dividend Growth	8

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$5.73		\$5.44
Dec2017	\$6.32	Dec2017	\$5.14
Dec2016	\$4.83	Dec2016	\$4.45
Dec2015	\$4.05	Dec2015	\$4.21
Dec2014	\$5.10	Dec2014	\$4.22
Dec2013	\$3.76	Dec2013	\$3.75
Dec2012	\$3.55	Dec2012	\$3.70
Dec2011	\$4.18	Dec2011	\$3.86
Dec2010	\$3.74	Dec2010	\$3.70
Dec2009	\$3.24	Dec2009	\$3.64
Dec2008	\$3.34	Dec2008	\$3.69
Dec2007	\$5.70	Dec2007	\$3.66
Dec2006	\$2.43	Dec2006	\$2.67
Dec2005	\$3.05	Dec2005	\$2.70
Dec2004	\$2.49	Dec2004	\$2.54
Dec2003	\$2.50	Dec2003	\$2.63
Dec2002	\$3.18	Dec2002	\$2.74
Dec2001	\$1.44	Balance Sheet Information	
Dec2000	\$3.27	12/1/2017	
Dec1999	\$3.33	Total Current Assets	\$3,081,000,000
Dec1998	\$3.05	Total Current Liabilities	\$2,812,000,000
		Long-Term Debt	\$12,184,000,000
		Total Assets	\$33,767,000,000
		Intangible Assets	\$3,160,000,000
		Total Liabilities	\$24,255,000,000
		Shares Outstanding (Diluted Average)	179,000,000





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

- [DTE Energy Co Valuation – July 2016 \\$DTE](#)
- [58 Companies in the Spotlight This Week – 1/31/15](#)
- [5 Speculative and Overvalued Companies to Avoid – January 2015](#)
- [DTE Energy Holding Company Annual Valuation – 2015 \\$DTE](#)
- [14 Companies in the Spotlight This Week – 10/11/14](#)

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](#)