ModernGraham Valuation

Company Name:

NRG Energy Inc



Company Ticker NRG

Date of Analysis 3/29/2018

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	\$9,697,485,061 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.33 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	-227.56% Fail
Moderate PEmg Ratio	PEmg < 20	-6.93 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-27.97 Fail

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	1.33	Fail
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
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		Fail

Score

Suitability

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$4.41
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$63.91
MG Value based on 0% Growth	-\$37.46
Market Implied Growth Rate	-7.71%

MG Opinion

Current Price \$30.53

% of Intrinsic Value N/A Opinion Overvalued MG Grade

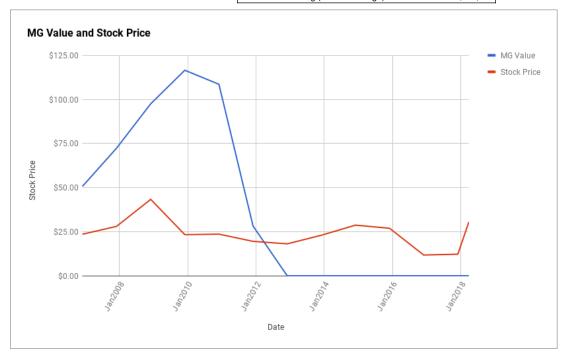
Stage 3: Information for Further Research

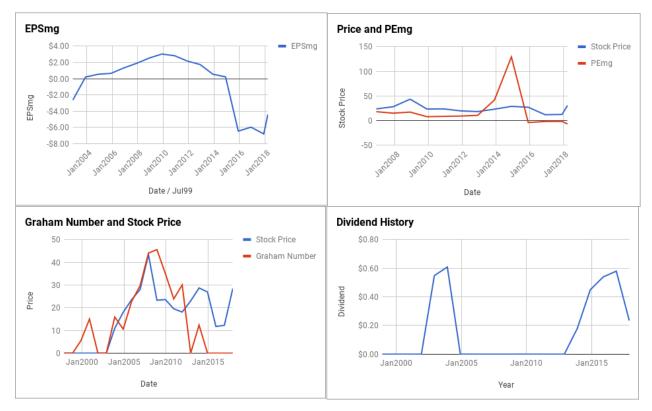
Net Current Asset Value (NCAV)	-\$60.72
Graham Number	\$0.00
PEmg	-6.93
Current Ratio	1.33
PB Ratio	-27.97
Current Dividend	\$0.12
Dividend Yield	0.39%
Number of Consecutive Years of	Dividend
Growth	0

Useful Links: ModernGraham tagged articles

Morningstar Google Finance MSN Money Yahoo Finance Seeking Alpha <u>GuruFocus</u> **SEC Filings**

EPS History		EPSmg History	
Next Fiscal Year		l <u>_</u> <u>_</u>	
Estimate	•	Next Fiscal Year Estimate	-\$4.41
Dec2017	-\$6.79	Dec2017	-\$6.80
Dec2016	-\$2.22	Dec2016	-\$5.96
Dec2015	-\$19.46	Dec2015	-\$6.45
Dec2014	\$0.23	Dec2014	\$0.22
Dec2013	-\$1.22	Dec2013	\$0.55
Dec2012	\$1.22	Dec2012	\$1.74
Dec2011	\$0.78	Dec2011	\$2.16
Dec2010	\$1.84	Dec2010	\$2.82
Dec2009	\$3.44	Dec2009	\$3.03
Dec2008	\$4.43	Dec2008	\$2.53
Dec2007	\$2.01	Dec2007	\$1.88
Dec2006	\$2.04	Dec2006	\$1.32
Dec2005	\$0.38	Dec2005	\$0.65
Dec2004	\$0.93	Dec2004	\$0.55
Dec2003	\$6.98	Dec2003	\$0.20
Dec2002	-\$8.71	Dec2002	-\$2.63
Dec2001	\$0.67	Balance Sheet Information	12/1/2017
Dec2000	\$0.46	Total Current Assets	\$4,415,000,000
Dec1999	\$0.00	Total Current Liabilities	\$3,317,000,000
Dec1998	\$0.00	Long-Term Debt	\$0
		Total Assets	\$23,318,000,000
		Intangible Assets	\$2,285,000,000
		Total Liabilities	\$23,664,000,000
		Shares Outstanding (Diluted Average)	317,000,000





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 #N/A

Other ModernGraham posts about related companies DTE Energy Co Valuation – March 2018 \$DTE

The AES Corp Valuation – March 2018 \$AES

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