

# ModernGraham Valuation

Company Name:

Duke Energy Corp

Company Ticker DUK

Date of Analysis

5/20/2018



## 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	\$51,949,882,128	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.64	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	29.29%	Fail
5. Earnings Growth	PEmg < 20	18.32	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.24	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	0.64	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-10.39	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.03
MG Growth Estimate	3.80%
<b>MG Value</b>	<b>\$64.88</b>
MG Value based on 3% Growth	\$58.42
MG Value based on 0% Growth	\$34.24
Market Implied Growth Rate	4.91%

### MG Opinion

Current Price	\$73.80
% of Intrinsic Value	113.75%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$126.21
Graham Number	\$78.39
PEmg	18.32
Current Ratio	0.64
PB Ratio	1.24
Current Dividend	\$3.49
Dividend Yield	4.73%
Number of Consecutive Years of Dividend Growth	10

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[Morningstar](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$4.58	Dec2017	\$4.03
Dec2016	\$4.36	Dec2016	\$3.70
Dec2015	\$3.11	Dec2015	\$3.35
Dec2014	\$4.05	Dec2014	\$3.48
Dec2013	\$2.66	Dec2013	\$3.21
Dec2012	\$3.76	Dec2012	\$3.40
Dec2011	\$3.07	Dec2011	\$3.19
Dec2010	\$3.83	Dec2010	\$3.24
Dec2009	\$3.00	Dec2009	\$3.09
Dec2008	\$2.49	Dec2008	\$3.77
Dec2007	\$3.21	Dec2007	\$4.77
Dec2006	\$3.54	Dec2006	\$5.01
Dec2005	\$4.71	Dec2005	\$5.15
Dec2004	\$11.28	Dec2004	\$5.08
Dec2003	\$4.62	Dec2003	\$2.54
Dec2002	-\$4.44	Dec2002	\$2.32
Dec2001	\$3.66	Dec2001	\$5.75
Dec2000	\$7.32	<b>Balance Sheet Information</b>	
Dec1999	\$7.14	<b>3/1/2018</b>	
Dec1998	\$6.09	Total Current Assets	\$8,279,000,000
	\$5.10	Total Current Liabilities	\$12,998,000,000
		Long-Term Debt	\$49,030,000,000
		Total Assets	\$138,541,000,000
		Intangible Assets	\$19,396,000,000
		Total Liabilities	\$96,749,000,000
		Shares Outstanding (Diluted Average)	701,000,000





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

- [Duke Energy Corp Valuation – February 2017 \\$DUK](#)
- [Duke Energy Corporation Valuation – November 2015 Update \\$DUK](#)
- [30 Companies in the Spotlight This Week – 11/15/14](#)
- [Duke Energy Corporation Annual Valuation – 2014 \\$DUK](#)

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- [NextEra Energy Inc Valuation – May 2018 \\$NEE](#)
- [PG&E Corp Valuation – April 2018 \\$PCG](#)
- [Dominion Energy Inc Valuation – April 2018 \\$D](#)
- [Exelon Corp Valuation – March 2018 \\$EXC](#)
- [NRG Energy Inc Valuation – March 2018 \\$NRG](#)
- [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](#)