# ModernGraham Valuation

**Company Name:** Eversource Energy

Company Ticker: ES

Date of Analysis: 6/25/2018

## 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 | $18,274,694,610 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 0.68 | Fail |
| 3. Earnings Stability | Positive EPS for 10 years prior | | Pass |
| 4. Dividend Record | Dividend Payments for 10 years prior | | Pass |
| 5. Earnings Growth | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | 46.84% | Pass |
| 6. Moderate PEmg Ratio | PEmg < 20 | 18.91 | Pass |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.63 | Pass |

*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 | 0.68 | Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | -9.07 | 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 | | Pass |
| | Score | | |

**Suitability**

| | |
|---|---|
| **Defensive** | **Yes** |
| **Enterprising** | **Yes** |

## Stage 2: Determination of Intrinsic Value

| | |
|---|---|
| EPSmg | $3.03 |
| MG Growth Estimate | 4.40% |
| **MG Value** | **$52.43** |
| MG Value based on 3% Growth | $43.95 |
| MG Value based on 0% Growth | $25.77 |
| Market Implied Growth Rate | 5.21% |

*MG Opinion*

| | |
|---|---|
| Current Price | $57.33 |
| % of Intrinsic Value | 109.34% |
| **Opinion** | **Fairly Valued** |
| **MG Grade** | **A-** |

## Stage 3: Information for Further Research

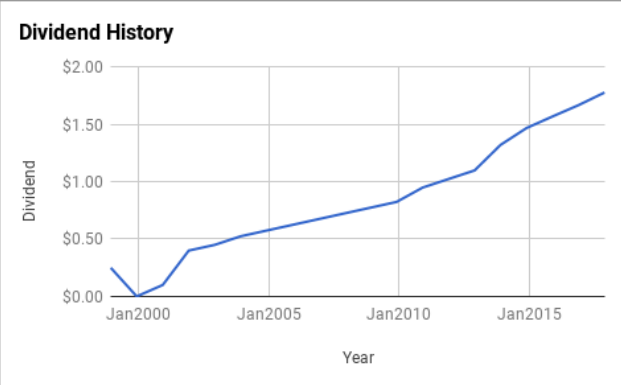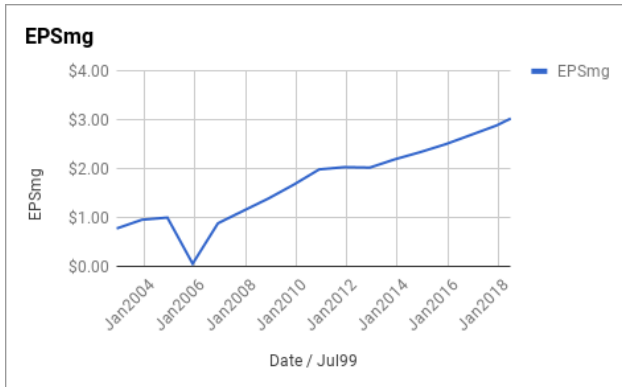| | |
|---|---|
| Net Current Asset Value (NCAV) | -$72.60 |
| Graham Number | $50.27 |
| PEmg | 18.91 |
| Current Ratio | 0.68 |
| PB Ratio | 1.63 |
| Current Dividend | $1.90 |
| Dividend Yield | 3.31% |
| Number of Consecutive Years of Dividend Growth | 20 |

| EPS History | | EPSmg History | |
|---|---|---|---|
| Next Fiscal Year Estimate | $3.21 | Next Fiscal Year Estimate | $3.03 |
| Dec2017 | $3.11 | Dec2017 | $2.89 |
| Dec2016 | $2.96 | Dec2016 | $2.70 |
| Dec2015 | $2.76 | Dec2015 | $2.51 |
| Dec2014 | $2.58 | Dec2014 | $2.34 |
| Dec2013 | $2.49 | Dec2013 | $2.20 |
| Dec2012 | $1.89 | Dec2012 | $2.03 |
| Dec2011 | $2.22 | Dec2011 | $2.03 |
| Dec2010 | $2.19 | Dec2010 | $1.99 |
| Dec2009 | $1.91 | Dec2009 | $1.68 |
| Dec2008 | $1.67 | Dec2008 | $1.39 |
| Dec2007 | $1.59 | Dec2007 | $1.14 |
| Dec2006 | $3.05 | Dec2006 | $0.88 |
| Dec2005 | -$1.93 | Dec2005 | $0.05 |
| Dec2004 | $0.91 | Dec2004 | $1.00 |
| Dec2003 | $0.91 | Dec2003 | $0.96 |
| Dec2002 | $1.18 | Dec2002 | $0.78 |
| Dec2001 | $1.74 | **Balance Sheet Information** | **3/1/2018** |
| Dec2000 | -$0.20 | Total Current Assets | $2,771,436,000 |
| Dec1999 | $0.26 | Total Current Liabilities | $4,096,018,000 |
| Dec1998 | -$1.12 | Long-Term Debt | $12,015,992,000 |
| | | Total Assets | $37,039,983,000 |
| | | Intangible Assets | $4,427,266,000 |
| | | Total Liabilities | $25,856,269,000 |
| | | Shares Outstanding (Diluted Average) | 317,993,000 |



MG Value and Stock Price

## EPSmg



## Price and PEmg



## Graham Number and Stock Price



## Dividend History
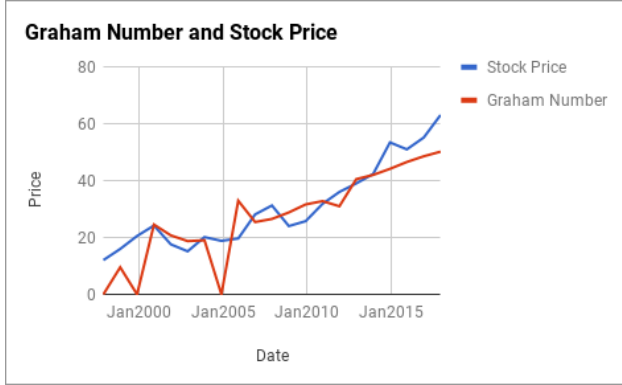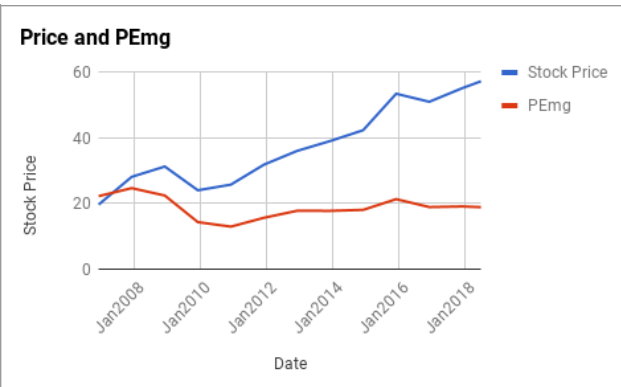


Disclaimer:

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**

Eversource Energy Valuation – July 2017 $ES
Eversource Energy Valuation – August 2016 $ES
Eversource Energy Analysis – Initial Coverage $ES

**Other ModernGraham posts about related companies**

Entergy Corp Valuation – June 2018 $ETR
Pinnacle West Capital Corp Valuation – June 2018 $PNW
NiSource Inc Valuation – June 2018 $NI
American Electric Power Co Valuation – June 2018 $AEP
American Water Works Co Inc Valuation – June 2018 $AWK
Alliant Energy Corp Valuation – June 2018 $LNT
Consolidated Edison Inc Valuation – June 2018 $ED
Duke Energy Corp Valuation – May 2018 $DUK
Sempra Energy Valuation – May 2018 $SRE
Ameren Corp Valuation – May 2018 $AEE