

ModernGraham Valuation

Company Name:

Entergy Corporation

Company Ticker ETR

Date of Analysis

6/24/2018



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	\$14,503,866,886	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.70	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-76.45%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	38.04	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.82	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	0.70	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-9.89	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.11
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$30.58
MG Value based on 0% Growth	\$17.92
Market Implied Growth Rate	14.77%

MG Opinion

Current Price	\$80.21
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$196.50
Graham Number	\$76.08
PEmg	38.04
Current Ratio	0.70
PB Ratio	1.82
Current Dividend	\$3.50
Dividend Yield	4.36%
Number of Consecutive Years of Dividend Growth	3

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.81	Next Fiscal Year Estimate	\$2.11
Dec2017	\$2.28	Dec2017	\$0.65
Dec2016	-\$3.26	Dec2016	\$0.54
Dec2015	-\$0.99	Dec2015	\$3.00
Dec2014	\$5.22	Dec2014	\$5.21
Dec2013	\$3.99	Dec2013	\$5.42
Dec2012	\$4.76	Dec2012	\$6.19
Dec2011	\$7.55	Dec2011	\$6.75
Dec2010	\$6.66	Dec2010	\$6.24
Dec2009	\$6.30	Dec2009	\$5.87
Dec2008	\$6.20	Dec2008	\$5.45
Dec2007	\$5.60	Dec2007	\$4.93
Dec2006	\$5.36	Dec2006	\$4.40
Dec2005	\$4.19	Dec2005	\$3.81
Dec2004	\$3.93	Dec2004	\$3.54
Dec2003	\$4.01	Dec2003	\$3.23
Dec2002	\$2.64	Dec2002	\$2.84
Dec2001	\$3.23	Balance Sheet Information 3/1/2018	
Dec2000	\$2.97	Total Current Assets	\$3,655,734,000
Dec1999	\$2.25	Total Current Liabilities	\$5,232,672,000
Dec1998	\$3.00	Long-Term Debt	\$15,591,628,000
		Total Assets	\$47,281,525,000
		Intangible Assets	\$377,172,000
		Total Liabilities	\$39,306,582,000
		Shares Outstanding (Diluted Average)	181,432,000





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

- [Entergy Corp Valuation – April 2017 \\$ETR](#)
- [Entergy Corp Valuation – January 2016 Update \\$ETR](#)
- [5 Speculative and Overvalued Companies to Avoid – December 2014](#)
- [32 Companies in the Spotlight This Week – 12/6/14](#)
- [Entergy Corporation Annual Valuation – 2014 \\$ETR](#)

Other ModernGraham posts about related companies

- [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](#)
- [NextEra Energy Inc Valuation – May 2018 \\$NEE](#)
- [PG&E Corp Valuation – April 2018 \\$PCG](#)