

ModernGraham Valuation

Company Name:

NiSource Inc.

Company Ticker NI

Date of Analysis

6/12/2018



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 | \$8,700,754,757 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 0.51 | 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 | -5.65% | Fail |
| 5. Earnings Growth | PEmg < 20 | 24.74 | Fail |
| 6. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.79 | 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 | 0.51 | Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | -4.58 | 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 | | Fail |
| | Score | | |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|---------------|
| EPSmg | \$0.96 |
| MG Growth Estimate | -4.25% |
| MG Value | \$0.00 |
| MG Value based on 3% Growth | \$13.91 |
| MG Value based on 0% Growth | \$8.15 |
| Market Implied Growth Rate | 8.12% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$23.73 |
| % of Intrinsic Value | N/A |
| Opinion | Overvalued |
| MG Grade | D |

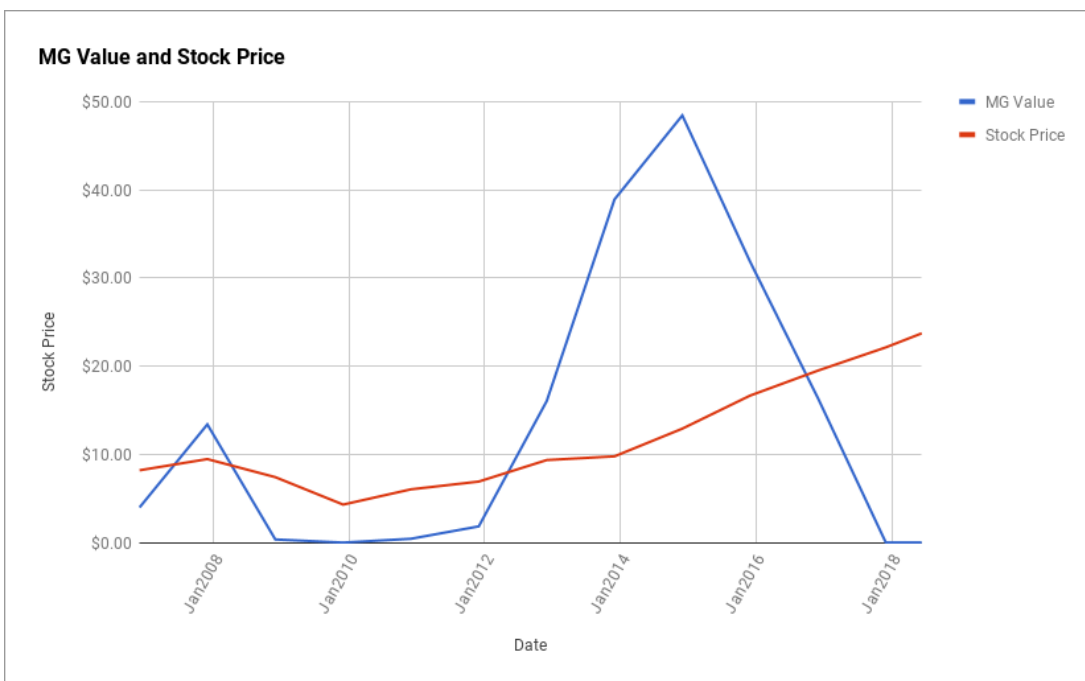
Stage 3: Information for Further Research

| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$41.18 |
| Graham Number | \$19.06 |
| PEmg | 24.74 |
| Current Ratio | 0.51 |
| PB Ratio | 1.79 |
| Current Dividend | \$0.70 |
| Dividend Yield | 2.95% |
| Number of Consecutive Years of Dividend Growth | 1 |

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 | | Next Fiscal Year Estimate | |
| Dec2017 | \$1.26 | Dec2017 | \$0.96 |
| Dec2016 | \$0.39 | Dec2016 | \$0.92 |
| Dec2015 | \$1.02 | Dec2015 | \$1.23 |
| Dec2014 | \$0.90 | Dec2014 | \$1.34 |
| Dec2013 | \$1.67 | Dec2013 | \$1.49 |
| Dec2012 | \$1.70 | Dec2012 | \$1.33 |
| Dec2011 | \$1.39 | Dec2011 | \$1.06 |
| Dec2010 | \$1.03 | Dec2010 | \$0.89 |
| Dec2009 | \$1.01 | Dec2009 | \$0.83 |
| Dec2008 | \$0.79 | Dec2008 | \$0.79 |
| Dec2007 | \$0.29 | Dec2007 | \$0.87 |
| Dec2006 | \$1.17 | Dec2006 | \$1.13 |
| Dec2005 | \$1.03 | Dec2005 | \$1.13 |
| Dec2004 | \$1.12 | Dec2004 | \$1.18 |
| Dec2003 | \$1.64 | Dec2003 | \$1.20 |
| Dec2002 | \$0.33 | Dec2002 | \$1.02 |
| Dec2001 | \$1.75 | Dec2001 | \$1.36 |
| Dec2000 | \$1.03 | Balance Sheet Information 3/1/2018 | |
| Dec1999 | \$1.11 | Total Current Assets | \$1,633,800,000 |
| Dec1998 | \$1.27 | Total Current Liabilities | \$3,226,200,000 |
| | \$1.59 | Long-Term Debt | \$7,286,800,000 |
| | | Total Assets | \$20,098,500,000 |
| | | Intangible Assets | \$1,919,600,000 |
| | | Total Liabilities | \$15,592,300,000 |
| | | Shares Outstanding (Diluted Average) | 339,000,000 |





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

[NiSource Inc Valuation – March 2017 \\$NI](#)
[NiSource Inc Valuation – August 2016 \\$NI](#)
[NiSource Analysis – 2015 Update \\$NI](#)
[NiSource Inc. Annual Valuation – 2014 \\$NI](#)

Other
ModernGraham
posts about related
companies

[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](#)
[Semptra 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](#)
[Dominion Energy Inc Valuation – April 2018 \\$D](#)