

ModernGraham Valuation

Company Name:

Company Ticker PEG

Date of Analysis

6/26/2018

Public Service
Enterprise Group Inc.



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	\$27,140,283,266	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.71	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	-13.73%	Fail
5. Earnings Growth	PEmg < 20	18.92	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.93	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	0.71	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-10.57	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	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.84
MG Growth Estimate	0.48%
MG Value	\$26.84
MG Value based on 3% Growth	\$41.17
MG Value based on 0% Growth	\$24.13
Market Implied Growth Rate	5.21%

MG Opinion

Current Price	\$53.72
% of Intrinsic Value	200.17%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$51.05
Graham Number	\$43.52
PEmg	18.92
Current Ratio	0.71
PB Ratio	1.93
Current Dividend	\$1.72
Dividend Yield	3.20%
Number of Consecutive Years of Dividend Growth	6

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.07	Next Fiscal Year Estimate	\$2.84
Dec2017	\$3.10	Dec2017	\$2.72
Dec2016	\$1.75	Dec2016	\$2.56
Dec2015	\$3.30	Dec2015	\$2.92
Dec2014	\$2.99	Dec2014	\$2.75
Dec2013	\$2.45	Dec2013	\$2.70
Dec2012	\$2.51	Dec2012	\$2.82
Dec2011	\$2.96	Dec2011	\$2.92
Dec2010	\$3.08	Dec2010	\$2.78
Dec2009	\$3.14	Dec2009	\$2.48
Dec2008	\$2.34	Dec2008	\$2.05
Dec2007	\$2.62	Dec2007	\$1.90
Dec2006	\$1.46	Dec2006	\$1.53
Dec2005	\$1.35	Dec2005	\$1.56
Dec2004	\$1.52	Dec2004	\$1.66
Dec2003	\$2.54	Dec2003	\$1.59
Dec2002	\$0.57	Dec2002	\$1.10
Dec2001	\$1.84	Balance Sheet Information 3/1/2018	
Dec2000	\$1.79	Total Current Assets	\$2,806,000,000
Dec1999	-\$0.19	Total Current Liabilities	\$3,948,000,000
Dec1998	\$1.40	Long-Term Debt	\$12,072,000,000
		Total Assets	\$42,790,000,000
		Intangible Assets	\$147,000,000
		Total Liabilities	\$28,686,000,000
		Shares Outstanding (Diluted Average)	507,000,000





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.

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company

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- [Public Service Enterprise Group Inc Valuation – August 2016 \\$PEG](#)
- [Public Service Enterprise Group Inc. Analysis – 2015 Update \\$PEG](#)
- [Public Service Enterprise Group Inc. Annual Valuation – 2014 \\$PEG](#)

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