

ModernGraham Valuation

Company Name:

PPL Corp

Company Ticker PPL

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	\$20,429,432,211	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.59	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	12.77%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	13.95	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.79	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	0.59	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-11.56	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	\$2.06
MG Growth Estimate	-1.90%
MG Value	\$9.69
MG Value based on 3% Growth	\$29.93
MG Value based on 0% Growth	\$17.54
Market Implied Growth Rate	2.72%

MG Opinion

Current Price	\$28.79
% of Intrinsic Value	297.23%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

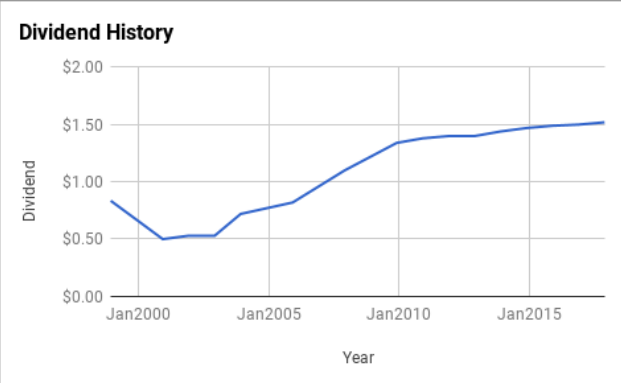
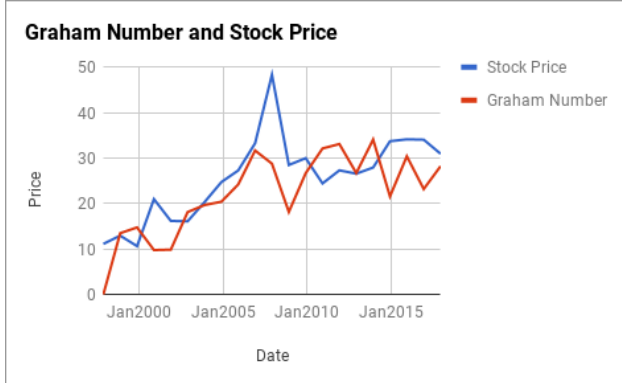
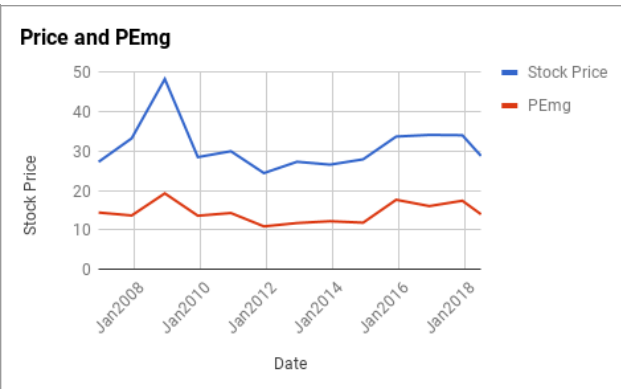
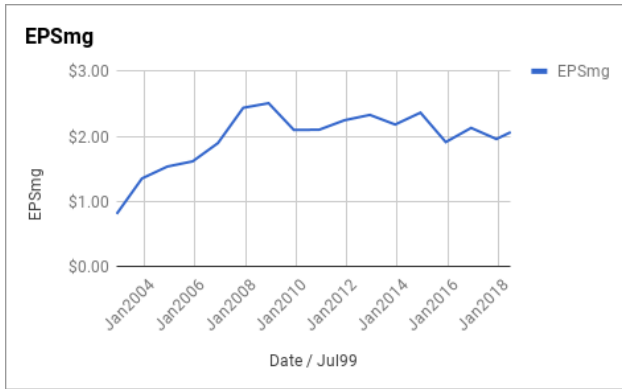
Net Current Asset Value (NCAV)	-\$41.31
Graham Number	\$28.22
PEmg	13.95
Current Ratio	0.59
PB Ratio	1.79
Current Dividend	\$1.58
Dividend Yield	5.49%
Number of Consecutive Years of Dividend Growth	6

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	\$2.28	Next Fiscal Year Estimate	\$2.06
Dec2017	\$1.64	Dec2017	\$1.96
Dec2016	\$2.79	Dec2016	\$2.13
Dec2015	\$1.01	Dec2015	\$1.91
Dec2014	\$2.61	Dec2014	\$2.36
Dec2013	\$1.76	Dec2013	\$2.18
Dec2012	\$2.60	Dec2012	\$2.33
Dec2011	\$2.70	Dec2011	\$2.25
Dec2010	\$2.17	Dec2010	\$2.10
Dec2009	\$1.08	Dec2009	\$2.10
Dec2008	\$2.47	Dec2008	\$2.51
Dec2007	\$3.35	Dec2007	\$2.44
Dec2006	\$2.24	Dec2006	\$1.90
Dec2005	\$1.65	Dec2005	\$1.62
Dec2004	\$1.87	Dec2004	\$1.54
Dec2003	\$2.18	Dec2003	\$1.35
Dec2002	\$0.68	Dec2002	\$0.81
Dec2001	\$0.61	Balance Sheet Information 3/1/2018	
Dec2000	\$1.72	Total Current Assets	\$2,490,000,000
Dec1999	\$1.42	Total Current Liabilities	\$4,238,000,000
Dec1998	-\$1.73	Long-Term Debt	\$20,214,000,000
		Total Assets	\$42,388,000,000
		Intangible Assets	\$4,005,000,000
		Total Liabilities	\$31,212,000,000
		Shares Outstanding (Diluted Average)	695,322,000





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

- [PPL Corp Valuation – June 2017 \\$PPL](#)
- [PPL Corporation Valuation – January 2016 Update \\$PPL](#)
- [26 Companies in the Spotlight This Week – 12/13/14](#)
- [PPL Corporation Annual Valuation – 2014 \\$PPL](#)

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](#)