

# ModernGraham Valuation

## Company Name:

Company Ticker PRU  
Date of Analysis

Prudential Financial  
Inc

6/27/2018



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass all 6 of the following tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$40,030,198,975	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. 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		
4. Earnings Growth		97.16%	Pass
5. Moderate PEmg Ratio	PEmg < 20	7.60	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.79	Pass

*Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.*

1. Earnings Stability	Positive EPS for 5 years prior	Pass
2. Dividend Record	Currently Pays Dividend	Pass
3. Earnings Growth	EPSmg greater than 5 years ago	Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	12.54
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$482.89</b>
MG Value based on 3% Growth	\$181.87
MG Value based on 0% Growth	\$106.61
Market Implied Growth Rate	-0.45%

### MG Opinion

Current Price	\$95.31
% of Intrinsic Value	19.74%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>A-</b>

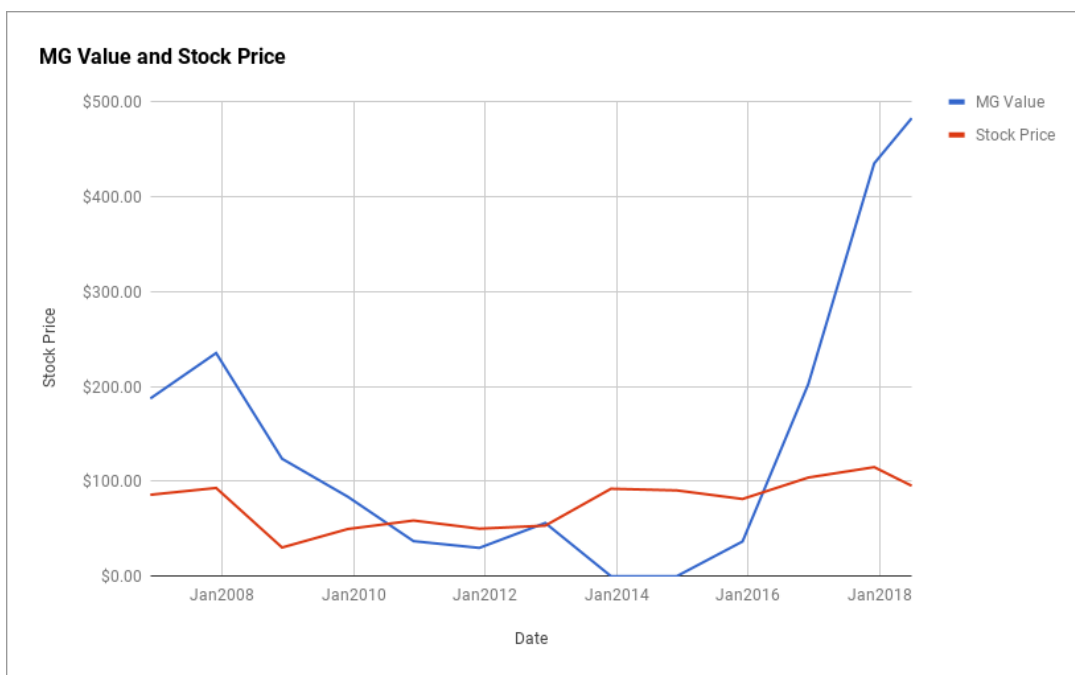
## Stage 3: Information for Further Research

Graham Number	\$185.87
PEmg	7.60
PB Ratio	0.79
Dividend Yield	3.15%
Number of Consecutive Years of Dividend Growth	9

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$12.00	Next Fiscal Year Estimate	\$12.54
Dec2017	\$17.86	Dec2017	\$11.30
Dec2016	\$9.71	Dec2016	\$6.99
Dec2015	\$12.17	Dec2015	\$5.22
Dec2014	\$3.23	Dec2014	\$2.17
Dec2013	-\$1.55	Dec2013	\$2.39
Dec2012	\$1.01	Dec2012	\$4.15
Dec2011	\$7.12	Dec2011	\$5.49
Dec2010	\$5.32	Dec2010	\$4.75
Dec2009	\$7.63	Dec2009	\$4.68
Dec2008	-\$2.53	Dec2008	\$3.55
Dec2007	\$7.61	Dec2007	\$6.11
Dec2006	\$6.50	Dec2006	\$4.87
Dec2005	\$6.34	Dec2005	\$3.56
Dec2004	\$3.31	Dec2004	\$1.89
Dec2003	\$1.98	Dec2003	\$1.01
Dec2002	\$1.25	Dec2002	\$0.44
Dec2001	\$0.07	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$0.00	Long-Term Debt & Capital Lease Obligation	\$19,097,000,000
Dec1999	\$0.00	Total Assets	\$829,677,000,000
Dec1998	\$0.00	Intangible Assets	\$1,995,000,000
		Total Liabilities	\$777,502,000,000
		Shares Outstanding (Diluted Average)	430,900,000





**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**

[Prudential Financial Inc Valuation – July 2017 \\$PRU](#)  
[Prudential Financial Inc Valuation – February 2016 \\$PRU](#)  
[5 Speculative and Overvalued Companies to Avoid – December 2014](#)  
[27 Companies in the Spotlight This Week – 12/20/14](#)  
[Prudential Financial Inc. Annual Valuation – 2014 \\$PRU](#)

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[Assurant Inc Valuation – June 2018 \\$AIZ](#)  
[Torchmark Corp Valuation – June 2018 \\$TMK](#)  
[Humana Inc Valuation – June 2018 \\$HUM](#)  
[American International Group Inc – June 2018 \\$AIG](#)  
[Chubb Ltd Valuation – June 2018 \\$CB](#)  
[Loews Corp Valuation – May 2018 \\$L](#)  
[Anthem Inc Valuation – May 2018 \\$ANTM](#)  
[Berkshire Hathaway Inc Valuation – May 2018 \\$BRK-B](#)  
[Arthur J Gallagher & Co Valuation – April 2018 \\$AJG](#)  
[Allstate Corp Valuation – April 2018 \\$ALL](#)