

# ModernGraham Valuation

South Jersey  
Industries Inc



## Company Name:

Company Ticker SJJ

Date of Analysis

7/29/2018

## 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	\$2,838,070,024	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.45	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		
5. Earnings Growth		-14.73%	Fail
6. Moderate PEmg Ratio	PEmg < 20	30.25	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.09	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	0.45	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-1.91	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 Score		Fail

## Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.11
MG Growth Estimate	-3.10%
<b>MG Value</b>	<b>\$2.54</b>
MG Value based on 3% Growth	\$16.07
MG Value based on 0% Growth	\$9.42
Market Implied Growth Rate	10.88%

## MG Opinion

Current Price	\$33.52
% of Intrinsic Value	1318.87%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$27.53
Graham Number	\$19.90
PEmg	30.25
Current Ratio	0.45
PB Ratio	2.09
Current Dividend	\$1.10
Dividend Yield	3.28%
Number of Consecutive Years of Dividend Growth	19

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[Morningstar](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.52	Next Fiscal Year Estimate	\$1.11
Dec2017	-\$0.04	Dec2017	\$0.99
Dec2016	\$1.56	Dec2016	\$1.49
Dec2015	\$1.52	Dec2015	\$1.45
Dec2014	\$1.46	Dec2014	\$1.40
Dec2013	\$1.28	Dec2013	\$1.33
Dec2012	\$1.49	Dec2012	\$1.33
Dec2011	\$1.49	Dec2011	\$1.23
Dec2010	\$1.11	Dec2010	\$1.11
Dec2009	\$0.97	Dec2009	\$1.09
Dec2008	\$1.29	Dec2008	\$1.10
Dec2007	\$1.05	Dec2007	\$0.96
Dec2006	\$1.22	Dec2006	\$0.87
Dec2005	\$0.69	Dec2005	\$0.68
Dec2004	\$0.76	Dec2004	\$0.65
Dec2003	\$0.63	Dec2003	\$0.59
Dec2002	\$0.60	Dec2002	\$0.54
Dec2001	\$0.57	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$0.53	Total Current Assets	\$413,506,000
Dec1999	\$0.50	Total Current Liabilities	\$924,180,000
Dec1998	\$0.26	Long-Term Debt	\$974,749,000
		Total Assets	\$3,890,080,000
		Intangible Assets	\$15,818,000
		Total Liabilities	\$2,608,583,000
		Shares Outstanding (Diluted Average)	79,724,000





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 [South Jersey Industries Inc Valuation – Initial Coverage \\$SJI](#)

Other ModernGraham posts about related companies [Suburban Propane Partners LP Valuation – June 2018 \\$SPH](#)  
[Public Service Enterprise Group Inc Valuation – June 2018 \\$PEG](#)  
[Eversource Energy Valuation – June 2018 \\$ES](#)  
[PPL Corp Valuation – June 2018 \\$PPL](#)  
[Entergy Corp Valuation – June 2018 \\$ETR](#)  
[Pinnacle West Capital Corp Valuation – June 2018 \\$PNW](#)  
[NiSource Inc Valuation – June 2018 \\$NI](#)  
[American Electric Power Co Valuation – June 2018 \\$AEP](#)  
[American Water Works Co Inc Valuation – June 2018 \\$AWK](#)  
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