

ModernGraham Valuation

General Electric
Company



Company Name:

Company Ticker GE

Date of Analysis

11/17/2018

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	\$69,758,886,723	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.66	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		-129.70%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-21.11	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.46	Fail

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	1.66	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.16	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.38
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$5.51
MG Value based on 0% Growth	-\$3.23
Market Implied Growth Rate	-14.80%

MG Opinion

Current Price	\$8.02
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$16.92
Graham Number	\$0.00
PEmg	-21.11
Current Ratio	1.66
PB Ratio	1.46
Current Dividend	\$0.84
Dividend Yield	10.47%
Number of Consecutive Years of Dividend Growth	0

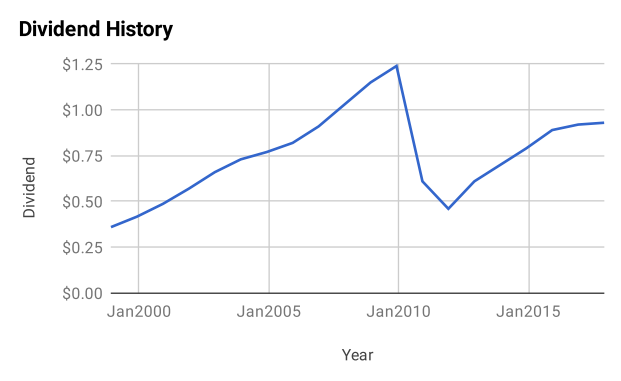
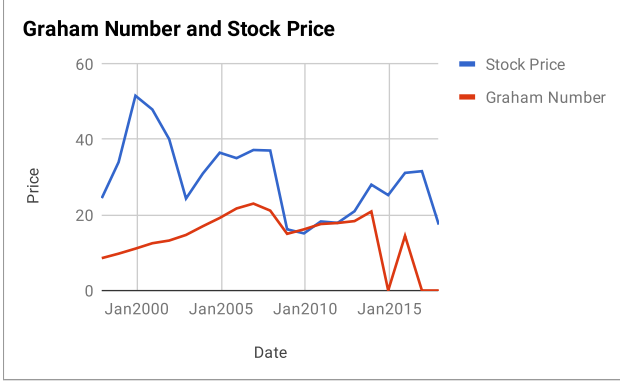
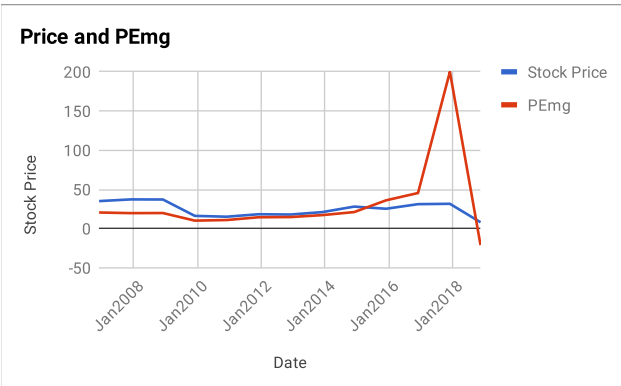
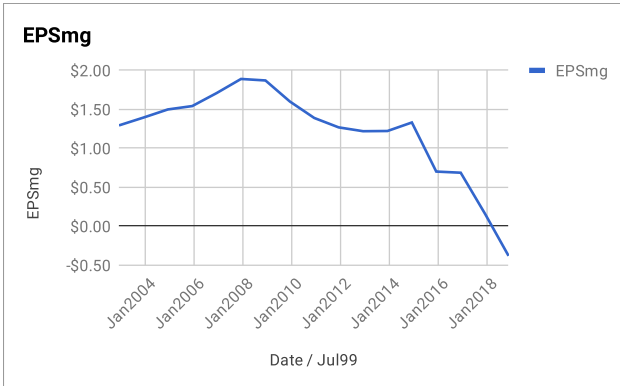
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	-\$0.72	Dec2017	\$0.16
Dec2016	\$0.89	Dec2016	\$0.69
Dec2015	-\$0.62	Dec2015	\$0.70
Dec2014	\$1.50	Dec2014	\$1.33
Dec2013	\$1.27	Dec2013	\$1.22
Dec2012	\$1.29	Dec2012	\$1.22
Dec2011	\$1.23	Dec2011	\$1.27
Dec2010	\$1.06	Dec2010	\$1.39
Dec2009	\$1.01	Dec2009	\$1.60
Dec2008	\$1.72	Dec2008	\$1.87
Dec2007	\$2.17	Dec2007	\$1.89
Dec2006	\$2.00	Dec2006	\$1.71
Dec2005	\$1.57	Dec2005	\$1.54
Dec2004	\$1.64	Dec2004	\$1.50
Dec2003	\$1.51	Dec2003	\$1.39
Dec2002	\$1.41	Dec2002	\$1.29
Dec2001	\$1.37	Balance Sheet Information 9/1/2018	
Dec2000	\$1.27	Total Current Assets	\$116,783,000,000
Dec1999	\$1.07	Total Current Liabilities	\$70,517,000,000
Dec1998	\$0.93	Long-Term Debt	\$99,759,000,000
		Total Assets	\$311,691,000,000
		Intangible Assets	\$79,214,000,000
		Total Liabilities	\$263,854,000,000
		Shares Outstanding (Diluted Average)	8,694,000,000





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**
- [5 Overvalued Dow Components – June 2018](#)
 - [5 Overvalued Dow Components – February 2018](#)
 - [General Electric Co Valuation – February 2018 \\$GE](#)
 - [5 Overvalued Dow Components – February 2017](#)
 - [5 Overvalued Dow Components – December 2016](#)

- Other ModernGraham posts about related companies**
- [3M Co Valuation – November 2018 \\$MMM](#)
 - [ITT Inc Valuation – July 2018 \\$ITT](#)
 - [Illinois Tool Works Inc Valuation – June 2018 \\$ITW](#)
 - [Honeywell International Inc Valuation – June 2018 \\$HON](#)
 - [General Electric Co Valuation – February 2018 \\$GE](#)
 - [3M Company Valuation – February 2018 \\$MMM](#)
 - [Raven Industries Inc Valuation – September 2017 \\$RAVN](#)
 - [Illinois Tool Works Inc Valuation – August 2017 \\$ITW](#)
 - [Honeywell International Inc Valuation – July 2017 \\$HON](#)
 - [Carlisle Companies Inc Valuation – Initial Coverage \\$CSL](#)