

ModernGraham Valuation

Company Name:

AES Corp

Company Ticker AES

Date of Analysis

1/22/2019



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	\$10,252,357,256	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.24	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-246.23%	Fail
5. Earnings Growth	PEmg < 20	-380.66	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.80	Fail
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	1.24	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	18.69	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.04
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$0.59
MG Value based on 0% Growth	-\$0.35
Market Implied Growth Rate	-194.58%

MG Opinion

Current Price	\$15.48
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

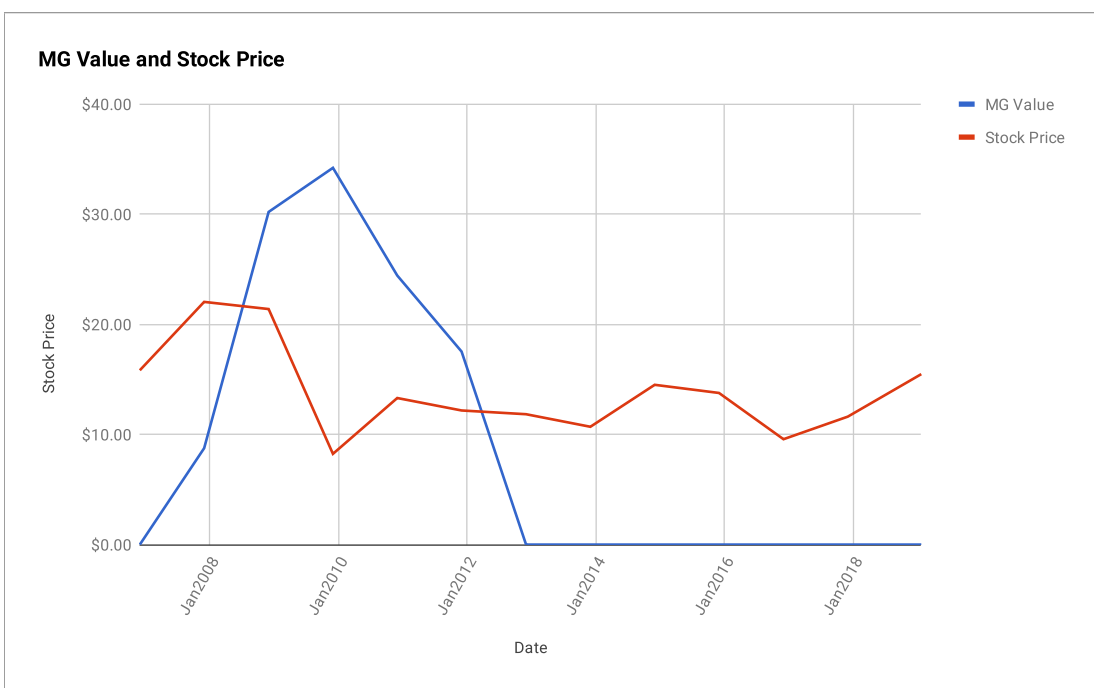
Stage 3: Information for Further Research

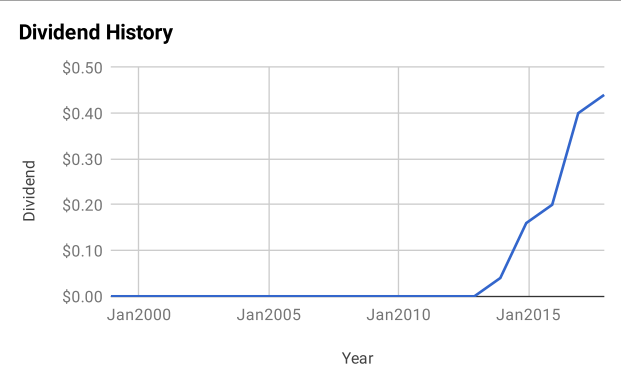
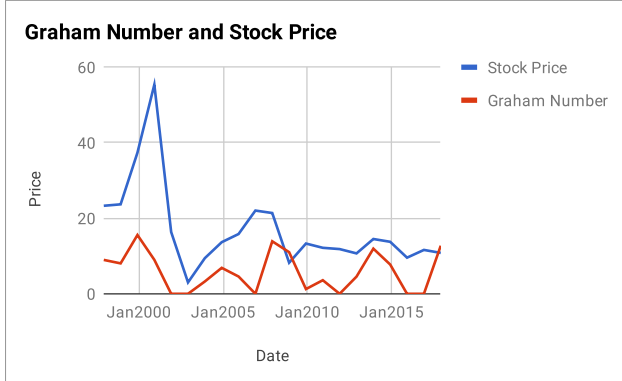
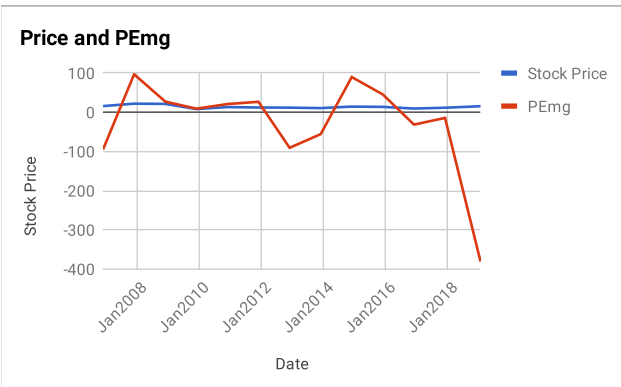
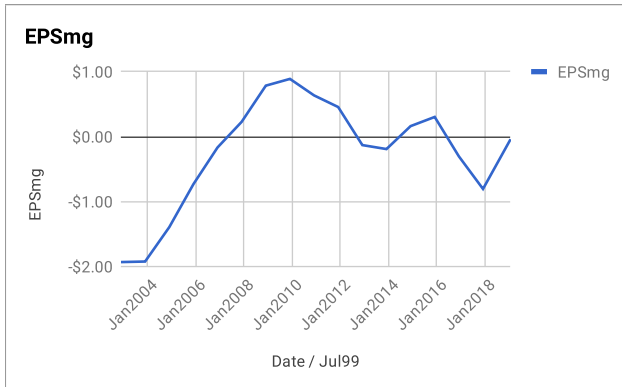
Net Current Asset Value (NCAV)	-\$32.73
Graham Number	\$12.73
PEmg	-380.66
Current Ratio	1.24
PB Ratio	1.80
Current Dividend	\$0.48
Dividend Yield	3.10%
Number of Consecutive Years of Dividend Growth	6

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	\$1.93	Next Fiscal Year Estimate	-\$0.04
Dec2017	-\$1.76	Dec2017	-\$0.81
Dec2016	-\$1.72	Dec2016	-\$0.30
Dec2015	\$0.44	Dec2015	\$0.30
Dec2014	\$1.06	Dec2014	\$0.16
Dec2013	\$0.15	Dec2013	-\$0.19
Dec2012	-\$1.21	Dec2012	-\$0.13
Dec2011	\$0.07	Dec2011	\$0.46
Dec2010	\$0.01	Dec2010	\$0.63
Dec2009	\$0.98	Dec2009	\$0.89
Dec2008	\$1.82	Dec2008	\$0.78
Dec2007	-\$0.14	Dec2007	\$0.23
Dec2006	\$0.37	Dec2006	-\$0.17
Dec2005	\$0.83	Dec2005	-\$0.73
Dec2004	\$0.46	Dec2004	-\$1.39
Dec2003	-\$0.78	Dec2003	-\$1.92
Dec2002	-\$7.50	Dec2002	-\$1.93
Dec2001	\$0.36	Balance Sheet Information 9/1/2018	
Dec2000	\$1.69	Total Current Assets	\$5,015,000,000
Dec1999	\$0.58	Total Current Liabilities	\$4,047,000,000
Dec1998	\$0.85	Long-Term Debt	\$18,088,000,000
		Total Assets	\$32,489,000,000
		Intangible Assets	\$1,459,000,000
		Total Liabilities	\$26,780,000,000
		Shares Outstanding (Diluted Average)	665,000,000





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

- [The AES Corp Valuation – March 2018 \\$AES](#)
- [AES Corporation Valuation – July 2016 \\$AES](#)
- [AES Corporation Annual Valuation – 2015 \\$AEP](#)
- [14 Companies in the Spotlight This Week – 1/11/14](#)
- [ModernGraham Valuation: AES Corp \(AES\)](#)

Other ModernGraham posts about related companies

- [FirstEnergy Corp Valuation – January 2019 \\$FE](#)
- [Edison International Valuation – January 2019 \\$EIX](#)
- [WEC Energy Group Inc Valuation – January 2019 \\$WEC](#)
- [Southern Co Valuation – January 2019 \\$SO](#)
- [CenterPoint Energy Inc Valuation – January 2019 \\$CNP](#)
- [CMS Energy Corp Valuation – January 2019 \\$CMS](#)
- [Xcel Energy Inc Valuation – December 2018 \\$XEL](#)
- [California Water Service Group Valuation – October 2018 \\$CWT](#)
- [Canadian Utilities Ltd Valuation – September 2018 \\$TSE:CU](#)
- [Spire Inc Valuation – August 2018 \\$SR](#)