

ModernGraham Valuation

Company Name:

DTE Energy Co

Company Ticker DTE

Date of Analysis

1/23/2019



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 | \$20,686,691,583 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 1.47 | 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 | 53.41% | Pass |
| 5. Earnings Growth | | | |
| 6. Moderate PEmg Ratio | PEmg < 20 | 20.60 | Fail |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.94 | 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 | 1.47 | Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 13.81 | 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 Score | | Pass |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|----------------|
| EPSmg | \$5.52 |
| MG Growth Estimate | 4.63% |
| MG Value | \$98.04 |
| MG Value based on 3% Growth | \$80.06 |
| MG Value based on 0% Growth | \$46.93 |
| Market Implied Growth Rate | 6.05% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$113.72 |
| % of Intrinsic Value | 115.99% |
| Opinion | Overvalued |
| MG Grade | D+ |

Stage 3: Information for Further Research

| | |
|--|-----------|
| Net Current Asset Value (NCAV) | -\$118.13 |
| Graham Number | \$84.39 |
| PEmg | 20.60 |
| Current Ratio | 1.47 |
| PB Ratio | 1.94 |
| Current Dividend | \$3.36 |
| Dividend Yield | 2.95% |
| Number of Consecutive Years of Dividend Growth | 8 |

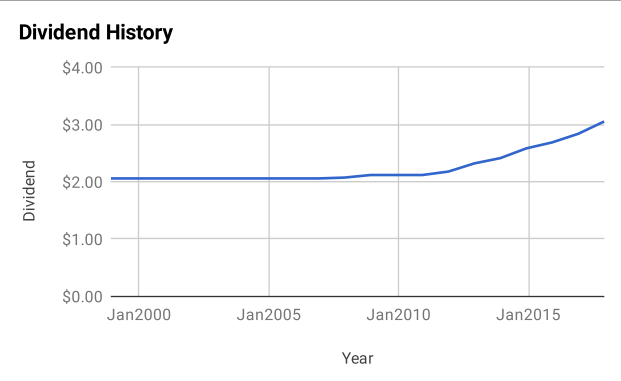
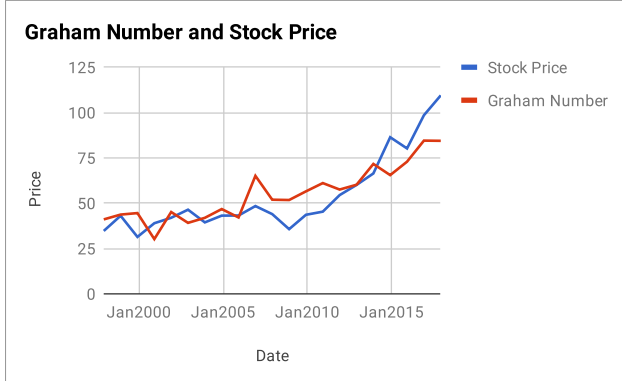
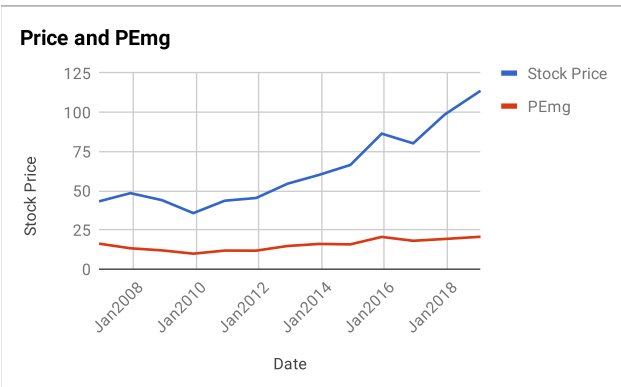
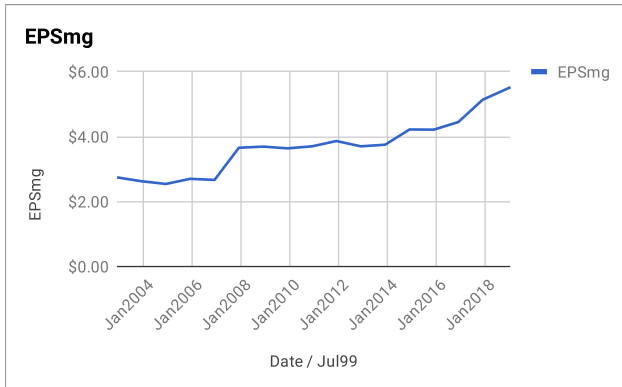
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| EPS History | | EPSmg History | |
|---------------------------|--------|---|------------------|
| Next Fiscal Year Estimate | \$5.97 | Next Fiscal Year Estimate | \$5.52 |
| Dec2017 | \$6.32 | Dec2017 | \$5.14 |
| Dec2016 | \$4.83 | Dec2016 | \$4.45 |
| Dec2015 | \$4.05 | Dec2015 | \$4.21 |
| Dec2014 | \$5.10 | Dec2014 | \$4.22 |
| Dec2013 | \$3.76 | Dec2013 | \$3.75 |
| Dec2012 | \$3.55 | Dec2012 | \$3.70 |
| Dec2011 | \$4.18 | Dec2011 | \$3.86 |
| Dec2010 | \$3.74 | Dec2010 | \$3.70 |
| Dec2009 | \$3.24 | Dec2009 | \$3.64 |
| Dec2008 | \$3.34 | Dec2008 | \$3.69 |
| Dec2007 | \$5.70 | Dec2007 | \$3.66 |
| Dec2006 | \$2.43 | Dec2006 | \$2.67 |
| Dec2005 | \$3.05 | Dec2005 | \$2.70 |
| Dec2004 | \$2.49 | Dec2004 | \$2.54 |
| Dec2003 | \$2.50 | Dec2003 | \$2.63 |
| Dec2002 | \$3.18 | Dec2002 | \$2.74 |
| Dec2001 | \$1.44 | Balance Sheet Information 9/1/2018 | |
| Dec2000 | \$3.27 | Total Current Assets | \$3,103,000,000 |
| Dec1999 | \$3.33 | Total Current Liabilities | \$2,117,000,000 |
| Dec1998 | \$3.05 | Long-Term Debt | \$13,620,000,000 |
| | | Total Assets | \$35,292,000,000 |
| | | Intangible Assets | \$3,157,000,000 |
| | | Total Liabilities | \$24,602,000,000 |
| | | Shares Outstanding (Diluted Average) | 182,000,000 |





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**
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – June 2018](#)
 - [DTE Energy Co Valuation – March 2018 \\$DTE](#)
 - [DTE Energy Co Valuation – July 2016 \\$DTE](#)
 - [58 Companies in the Spotlight This Week – 1/31/15](#)
 - [5 Speculative and Overvalued Companies to Avoid – January 2015](#)

- Other ModernGraham posts about related companies**
- [AES Corp Valuation – January 2019 \\$AES](#)
 - [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](#)