

ModernGraham Valuation

Company Name:

Edison International

Company Ticker EIX

Date of Analysis

1/20/2019



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	\$17,880,508,028	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.72	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	51.19%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	16.81	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.26	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	0.72	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-10.95	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.27
MG Growth Estimate	4.60%
MG Value	\$57.78
MG Value based on 3% Growth	\$47.35
MG Value based on 0% Growth	\$27.76
Market Implied Growth Rate	4.15%

MG Opinion

Current Price	\$54.88
% of Intrinsic Value	94.98%
Opinion	Fairly Valued
MG Grade	C+

Stage 3: Information for Further Research

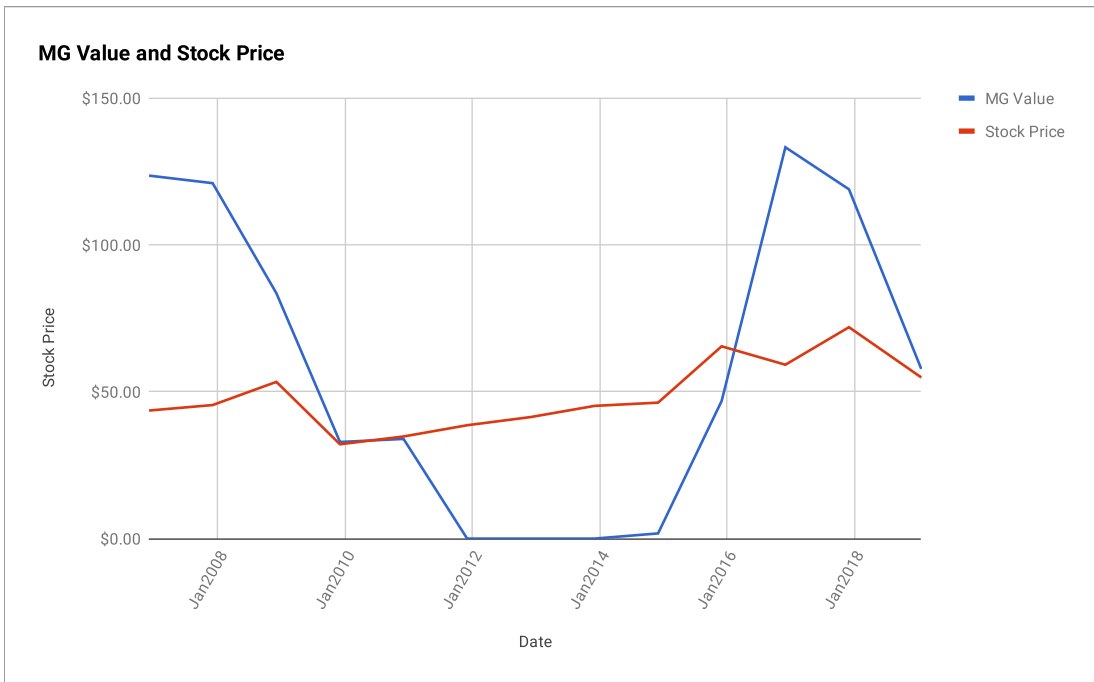
Net Current Asset Value (NCAV)	-\$109.76
Graham Number	\$55.49
PEmg	16.81
Current Ratio	0.72
PB Ratio	1.26
Current Dividend	\$2.23
Dividend Yield	4.07%
Number of Consecutive Years of Dividend Growth	15

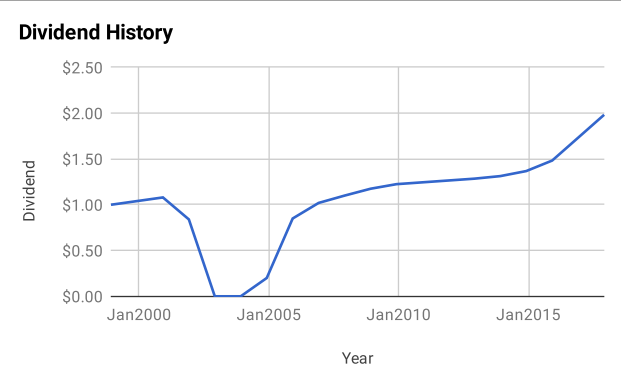
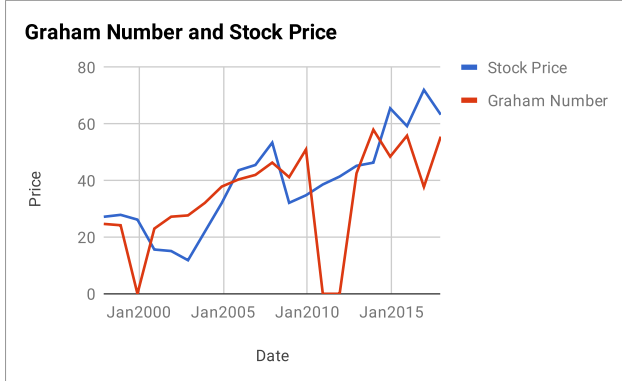
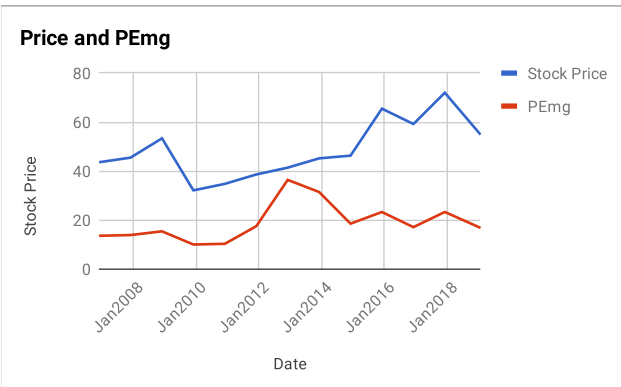
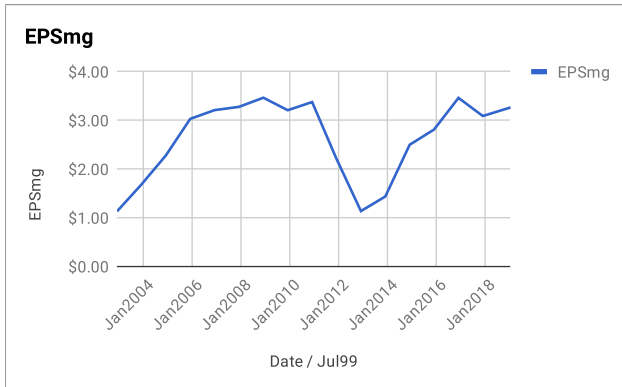
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.82	Next Fiscal Year Estimate	\$3.27
Dec2017	\$1.72	Dec2017	\$3.09
Dec2016	\$3.97	Dec2016	\$3.46
Dec2015	\$3.10	Dec2015	\$2.81
Dec2014	\$4.89	Dec2014	\$2.50
Dec2013	\$2.78	Dec2013	\$1.44
Dec2012	-\$0.56	Dec2012	\$1.14
Dec2011	-\$0.11	Dec2011	\$2.21
Dec2010	\$3.82	Dec2010	\$3.38
Dec2009	\$2.58	Dec2009	\$3.21
Dec2008	\$3.68	Dec2008	\$3.47
Dec2007	\$3.31	Dec2007	\$3.28
Dec2006	\$3.57	Dec2006	\$3.21
Dec2005	\$3.43	Dec2005	\$3.03
Dec2004	\$2.77	Dec2004	\$2.28
Dec2003	\$2.50	Dec2003	\$1.68
Dec2002	\$3.28	Dec2002	\$1.13
Dec2001	\$3.17	Balance Sheet Information 9/1/2018	
Dec2000	-\$5.84	Total Current Assets	\$3,383,000,000
Dec1999	\$1.79	Total Current Liabilities	\$4,719,000,000
Dec1998	\$1.84	Long-Term Debt	\$14,629,000,000
		Total Assets	\$53,563,000,000
		Intangible Assets	\$0
		Total Liabilities	\$39,274,000,000
		Shares Outstanding (Diluted Average)	327,000,000





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

- [Edison International Valuation – March 2018 \\$EIX](#)
- [Edison International Valuation – July 2016 \\$EIX](#)
- [47 Companies in the Spotlight This Week – 5/16/15](#)
- [Edison International Annual Valuation – 2015 \\$EIX](#)
- [16 Companies in the Spotlight This Week – 4/26/14](#)

Other ModernGraham posts about related companies

- [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](#)
- [Capital Power Corp Valuation – August 2018 \\$TSE-CPX](#)
- [Superior Plus Corp Valuation – August 2018 \\$TSX-SPB](#)