

ModernGraham Valuation

Company Name:

FirstEnergy Corp.

Company Ticker FE

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	\$19,879,878,264	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	-303.91%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-13.12	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.86	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	0.45	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-5.18	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	-\$2.96
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$42.96
MG Value based on 0% Growth	-\$25.18
Market Implied Growth Rate	-10.81%

MG Opinion

Current Price	\$38.87
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

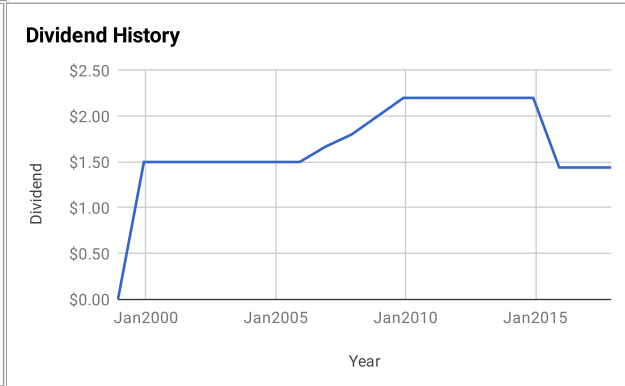
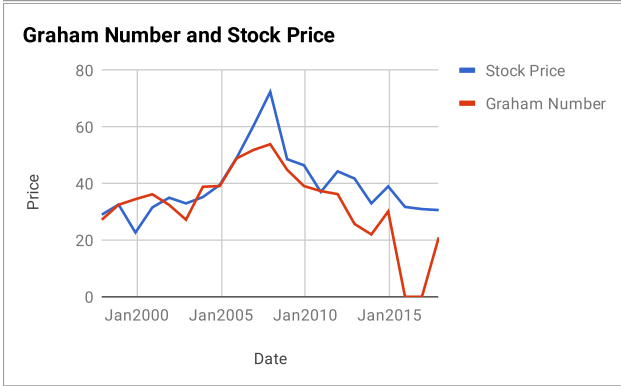
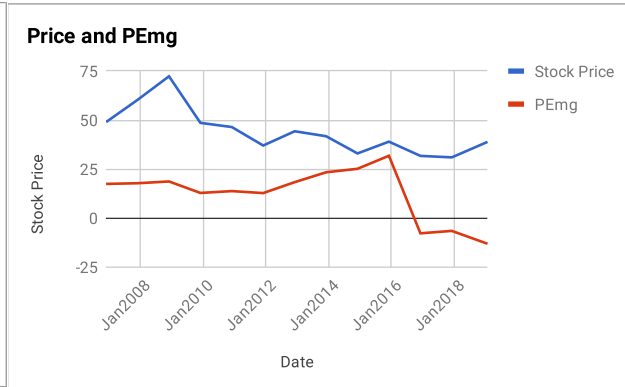
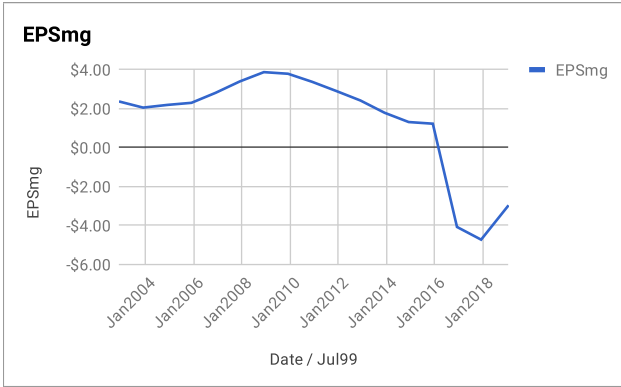
Net Current Asset Value (NCAV)	-\$59.35
Graham Number	\$20.98
PEmg	-13.12
Current Ratio	0.45
PB Ratio	2.86
Current Dividend	\$1.44
Dividend Yield	3.70%
Number of Consecutive Years of Dividend Growth	0

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	\$2.22	Next Fiscal Year Estimate	-\$2.96
Dec2017	-\$3.88	Dec2017	-\$4.73
Dec2016	-\$14.49	Dec2016	-\$4.07
Dec2015	\$1.37	Dec2015	\$1.23
Dec2014	\$0.71	Dec2014	\$1.31
Dec2013	\$0.94	Dec2013	\$1.79
Dec2012	\$1.84	Dec2012	\$2.42
Dec2011	\$2.21	Dec2011	\$2.91
Dec2010	\$2.42	Dec2010	\$3.38
Dec2009	\$3.29	Dec2009	\$3.79
Dec2008	\$4.38	Dec2008	\$3.87
Dec2007	\$4.22	Dec2007	\$3.39
Dec2006	\$3.81	Dec2006	\$2.81
Dec2005	\$2.61	Dec2005	\$2.30
Dec2004	\$2.67	Dec2004	\$2.19
Dec2003	\$1.39	Dec2003	\$2.05
Dec2002	\$1.88	Dec2002	\$2.37
Dec2001	\$2.81	Balance Sheet Information 9/1/2018	
Dec2000	\$2.69	Total Current Assets	\$2,596,000,000
Dec1999	\$2.50	Total Current Liabilities	\$5,800,000,000
Dec1998	\$1.82	Long-Term Debt	\$16,608,000,000
		Total Assets	\$39,443,000,000
		Intangible Assets	\$5,618,000,000
		Total Liabilities	\$32,570,000,000
		Shares Outstanding (Diluted Average)	505,000,000





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**
- [FirstEnergy Corp Valuation – March 2018 \\$FE](#)
 - [FirstEnergy Corp Valuation – July 2016 \\$FE](#)
 - [47 Companies in the Spotlight This Week – 5/16/15](#)
 - [FirstEnergy Corporation Annual Valuation – 2015 \\$FE](#)
 - [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](#)