

ModernGraham Valuation

Company Name:

NRG Energy Inc

Company Ticker NRG

Date of Analysis

1/28/2019



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	\$11,730,567,534	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.58	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	-235.64%	Fail
5. Earnings Growth	PEmg < 20	-8.85	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	-12.92	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	1.58	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.24	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	-\$4.57
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$66.27
MG Value based on 0% Growth	-\$38.85
Market Implied Growth Rate	-8.68%

MG Opinion

Current Price	\$40.46
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

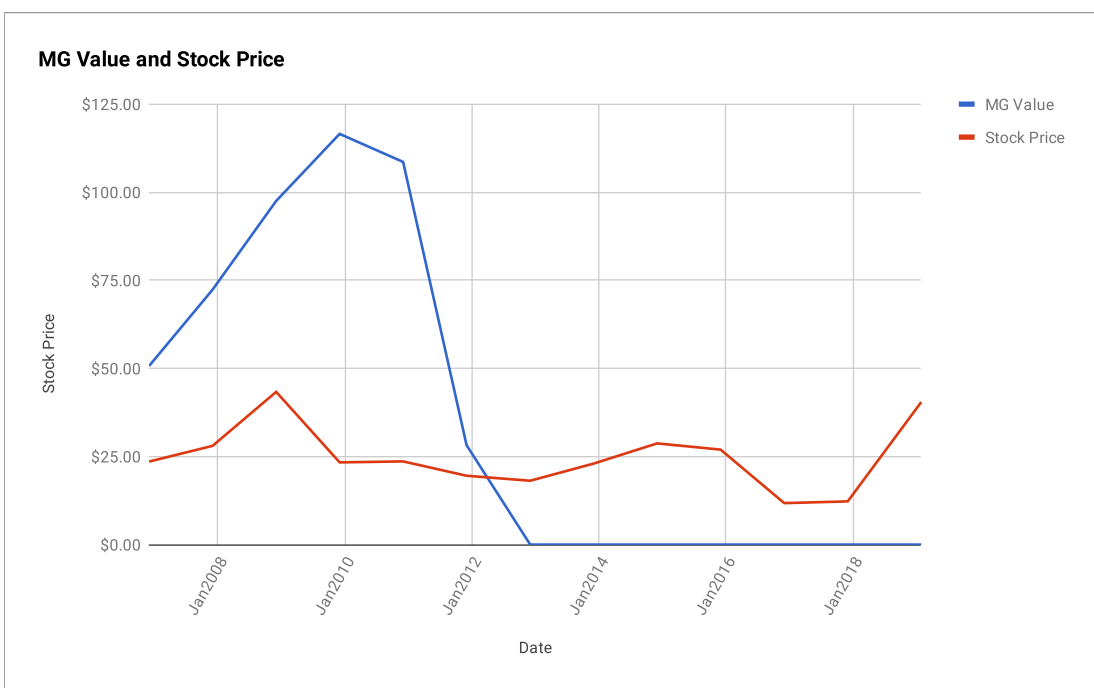
Stage 3: Information for Further Research

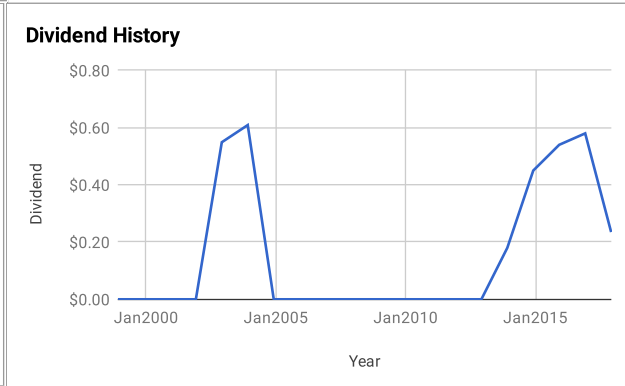
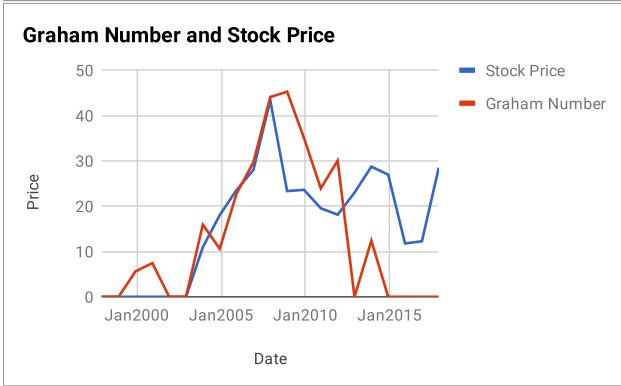
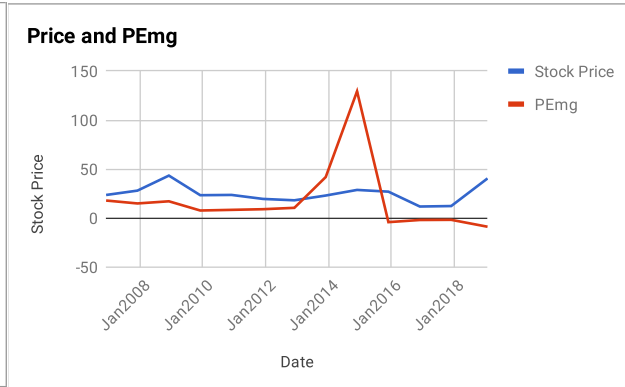
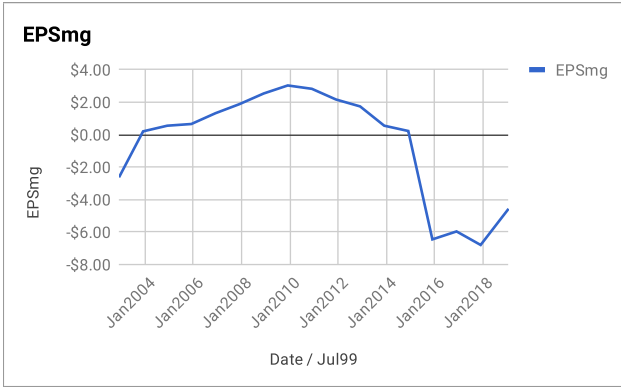
Net Current Asset Value (NCAV)	-\$27.06
Graham Number	\$0.00
PEmg	-8.85
Current Ratio	1.58
PB Ratio	-12.92
Current Dividend	\$0.12
Dividend Yield	0.30%
Number of Consecutive Years of Dividend Growth	0

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	\$0.79	Next Fiscal Year Estimate	-\$4.57
Dec2017	-\$6.79	Dec2017	-\$6.80
Dec2016	-\$2.22	Dec2016	-\$5.96
Dec2015	-\$19.46	Dec2015	-\$6.45
Dec2014	\$0.23	Dec2014	\$0.22
Dec2013	-\$1.22	Dec2013	\$0.55
Dec2012	\$1.22	Dec2012	\$1.74
Dec2011	\$0.78	Dec2011	\$2.16
Dec2010	\$1.84	Dec2010	\$2.82
Dec2009	\$3.44	Dec2009	\$3.03
Dec2008	\$4.43	Dec2008	\$2.53
Dec2007	\$2.01	Dec2007	\$1.88
Dec2006	\$2.04	Dec2006	\$1.32
Dec2005	\$0.38	Dec2005	\$0.65
Dec2004	\$0.93	Dec2004	\$0.55
Dec2003	\$6.98	Dec2003	\$0.20
Dec2002	-\$8.71	Dec2002	-\$2.63
Dec2001	\$0.67	Balance Sheet Information 9/1/2018	
Dec2000	\$0.46	Total Current Assets	\$4,295,000,000
Dec1999	\$0.00	Total Current Liabilities	\$2,723,000,000
Dec1998	\$0.00	Long-Term Debt	\$6,658,000,000
		Total Assets	\$11,450,000,000
		Intangible Assets	\$1,141,000,000
		Total Liabilities	\$12,386,000,000
		Shares Outstanding (Diluted Average)	299,000,000





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 [NRG Energy Inc Valuation – March 2018 \\$NRG](#)

Other ModernGraham posts about related companies [DTE Energy Co Valuation – January 2019 \\$DTE](#)
[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](#)