ModernGraham Valuation

Company Name: NiSource Inc.

Company Ticker	NI
Date of Analysis	3/24/2019

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	$10,657,053,567	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.51	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-56.27%	Fail
6. Moderate PEmg Ratio	PEmg < 20	43.61	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.84	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	0.51	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-3.59	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	$0.66
MG Growth Estimate	-4.25%
MG Value	**$0.00**
MG Value based on 3% Growth	$9.51
MG Value based on 0% Growth	$5.58
Market Implied Growth Rate	17.56%

MG Opinion

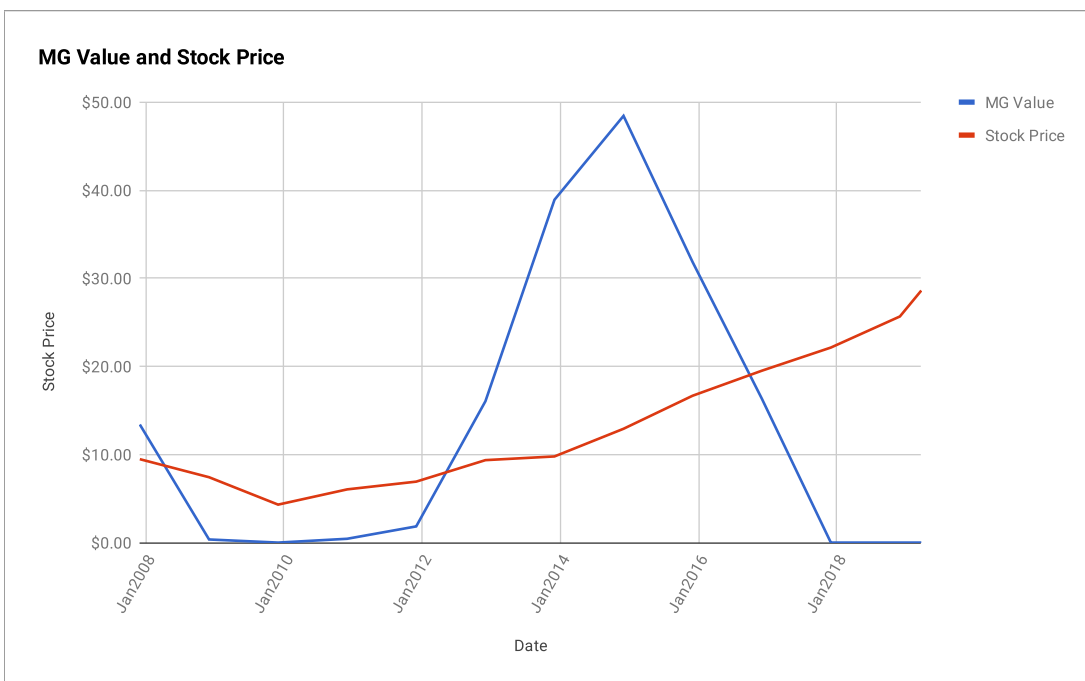|	
Current Price	$28.61
% of Intrinsic Value	N/A
Opinion	**Overvalued**
MG Grade	**D**

Stage 3: Information for Further Research
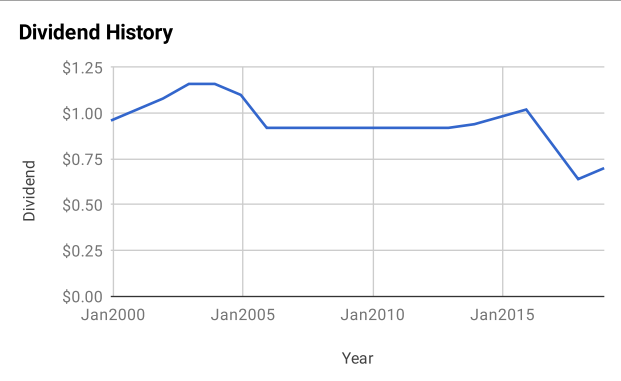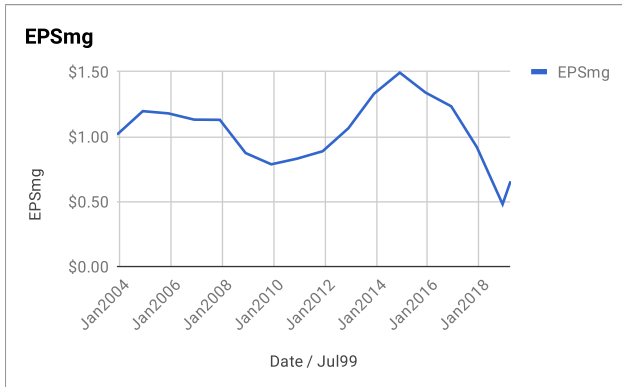
Net Current Asset Value (NCAV)	-$37.86
Graham Number	$19.48
PEmg	43.61
Current Ratio	0.51
PB Ratio	1.84
Current Dividend	$0.78
Dividend Yield	2.73%
Number of Consecutive Years of Dividend Growth	2

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	$1.29	Next Fiscal Year Estimate	$0.66
Dec2018	-$0.18	Dec2018	$0.48
Dec2017	$0.39	Dec2017	$0.92
Dec2016	$1.02	Dec2016	$1.23
Dec2015	$0.90	Dec2015	$1.34
Dec2014	$1.67	Dec2014	$1.49
Dec2013	$1.70	Dec2013	$1.33
Dec2012	$1.39	Dec2012	$1.06
Dec2011	$1.03	Dec2011	$0.89
Dec2010	$1.01	Dec2010	$0.83
Dec2009	$0.79	Dec2009	$0.79
Dec2008	$0.29	Dec2008	$0.87
Dec2007	$1.17	Dec2007	$1.13
Dec2006	$1.03	Dec2006	$1.13
Dec2005	$1.12	Dec2005	$1.18
Dec2004	$1.64	Dec2004	$1.20
Dec2003	$0.33	Dec2003	$1.02
Dec2002	$1.75	**Balance Sheet Information**	**12/1/2018**
Dec2001	$1.03	Total Current Assets	$2,055,400,000
Dec2000	$1.11	Total Current Liabilities	$4,036,800,000
Dec1999	$1.27	Long-Term Debt	$7,105,400,000
		Total Assets	$21,804,000,000
		Intangible Assets	$1,911,400,000
		Total Liabilities	$16,053,100,000
		Shares Outstanding (Diluted Average)	369,700,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History
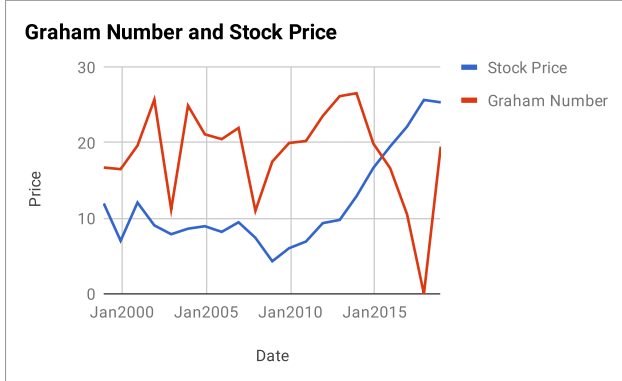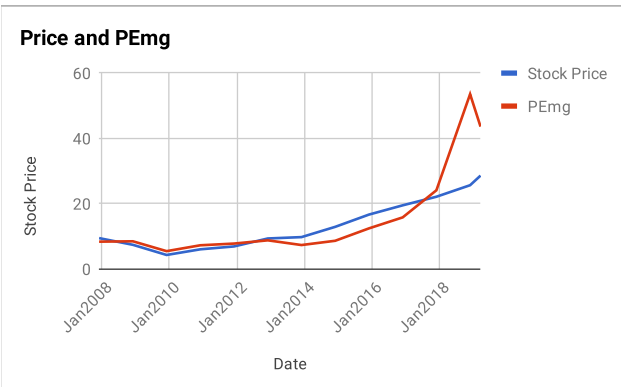
Disclaimer:

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	NiSource Inc Valuation – June 2018 $NI
	NiSource Inc Valuation – March 2017 $NI
	NiSource Inc Valuation – August 2016 $NI
	NiSource Analysis – 2015 Update $NI
	NiSource Inc. Annual Valuation – 2014 $NI
Other ModernGraham posts about related companies	American Electric Power Company Inc Valuation – March 2019 #AEP
	American Water Works Co Inc Valuation – March 2019 #AWK
	Alliant Energy Corp Valuation – March 2019 #LNT
	Consolidated Edison Inc Valuation – March 2019 #ED
	Duke Energy Corp Valuation – March 2019 #DUK
	Sempra Energy Valuation – March 2019 #SRE
	Ameren Corp Valuation – March 2019 #AEE
	NextEra Energy Inc Valuation – February 2019 $NEE
	Dominion Energy Inc Valuation – February 2019 $D
	Exelon Corp Valuation – January 2019 $EXC