# **ModernGraham Valuation**

## **Company Name:**

Public Service Enterprise Group Inc.



Company Ticker Date of Analysis

3/31/2019

### 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.

	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$30,002,014,276 Pas	SS
:	2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.71 Fai	ı
;	Earnings Stability	Positive EPS for 10 years prior	Pas	SS
	4. Dividend Record	Dividend Payments for 10 years prior	Pas	SS
		Increase of 33% in EPS in past 10 years using 3 year averages at		
	5. Earnings Growth	beginning and end	5.96% Fai	I
(	6. Moderate PEmg Ratio	PEmg < 20	20.69 Fai	ı
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.10 Pas	SS

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.71 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-9.22 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	Fail
	Score	

Suitability

Defensive No No Enterprising

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$2.87
MG Growth Estimate	-0.25%
MG Value	\$22.99
MG Value based on 3% Growth	\$41.63
MG Value based on 0% Growth	\$24.41
Market Implied Growth Rate	6.10%

MG Opinion

**Current Price** \$59.41 % of Intrinsic Value 258.42%

Opinion Overvalued MG Grade D+

## Stage 3: Information for Further Research

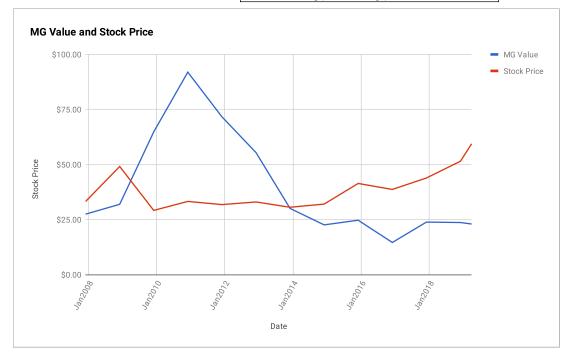
Net Current Asset Value (NCAV)	-\$54.13
Graham Number	\$44.76
PEmg	20.69
Current Ratio	0.71
PB Ratio	2.10
Current Dividend	\$1.80
Dividend Yield	3.03%
Number of Consecutive Years of Dividend	_
Growth	7

Morningstar

Useful Links: ModernGraham tagged articles

Google Finance MSN Money Yahoo Finance Seeking Alpha **GuruFocus SEC Filings** 

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.13	Next Fiscal Year Estimate	\$2.87
Dec2018	\$2.83	Dec2018	\$2.76
Dec2017	\$3.10	Dec2017	\$2.72
Dec2016	\$1.75	Dec2016	\$2.56
Dec2015	\$3.30	Dec2015	\$2.92
Dec2014	\$2.99	Dec2014	\$2.75
Dec2013	\$2.45	Dec2013	\$2.70
Dec2012	\$2.51	Dec2012	\$2.82
Dec2011	\$2.96	Dec2011	\$2.92
Dec2010	\$3.08	Dec2010	\$2.78
Dec2009	\$3.14	Dec2009	\$2.48
Dec2008	\$2.34	Dec2008	\$2.05
Dec2007	\$2.62	Dec2007	\$1.90
Dec2006	\$1.46	Dec2006	\$1.53
Dec2005	\$1.35	Dec2005	\$1.56
Dec2004	\$1.52	Dec2004	\$1.66
Dec2003	\$2.54	Dec2003	\$1.59
Dec2002	\$0.57	Balance Sheet Information	12/1/2018
Dec2001	\$1.84	Total Current Assets	\$3,507,000,000
Dec2000	\$1.79	Total Current Liabilities	\$4,935,000,000
Dec1999	-\$0.19	Long-Term Debt	\$13,168,000,000
		Total Assets	\$45,326,000,000
		Intangible Assets	\$159,000,000
		Total Liabilities	\$30,949,000,000
		Shares Outstanding (Diluted Average)	507,000,000





#### 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 Public Service Enterprise Group Inc Valuation – June 2018 \$PEG
Public Service Enterprise Group Inc Valuation – July 2017 \$PEG
Public Service Enterprise Group Inc Valuation – August 2016 \$PEG
Public Service Enterprise Group Inc. Analysis – 2015 Update \$PEG
Public Service Enterprise Group Inc. Annual Valuation – 2014 \$PEG

Other ModernGraham posts about related companies PPL Corp Valuation - March 2019 #PPL

Eversource Energy Valuation – March 2019 #ES

Evergy Inc Valuation – March 2019 #EVRG Entergy Corp Valuation – March 2019 #ETR

Pinnacle West Capital Corp Valuation - March 2019 #PNW

NiSource Inc Valuation - March 2019 #NI

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