

# ModernGraham Valuation

Company Name:

Sempra Energy

Company Ticker SRE

Date of Analysis

3/9/2019



## 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	\$33,514,994,996	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.48	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	-13.25%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	29.47	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.76	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	0.48	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-5.57	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.15
MG Growth Estimate	-1.64%
<b>MG Value</b>	<b>\$21.70</b>
MG Value based on 3% Growth	\$60.18
MG Value based on 0% Growth	\$35.28
Market Implied Growth Rate	10.48%

### MG Opinion

Current Price	\$122.30
% of Intrinsic Value	563.67%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

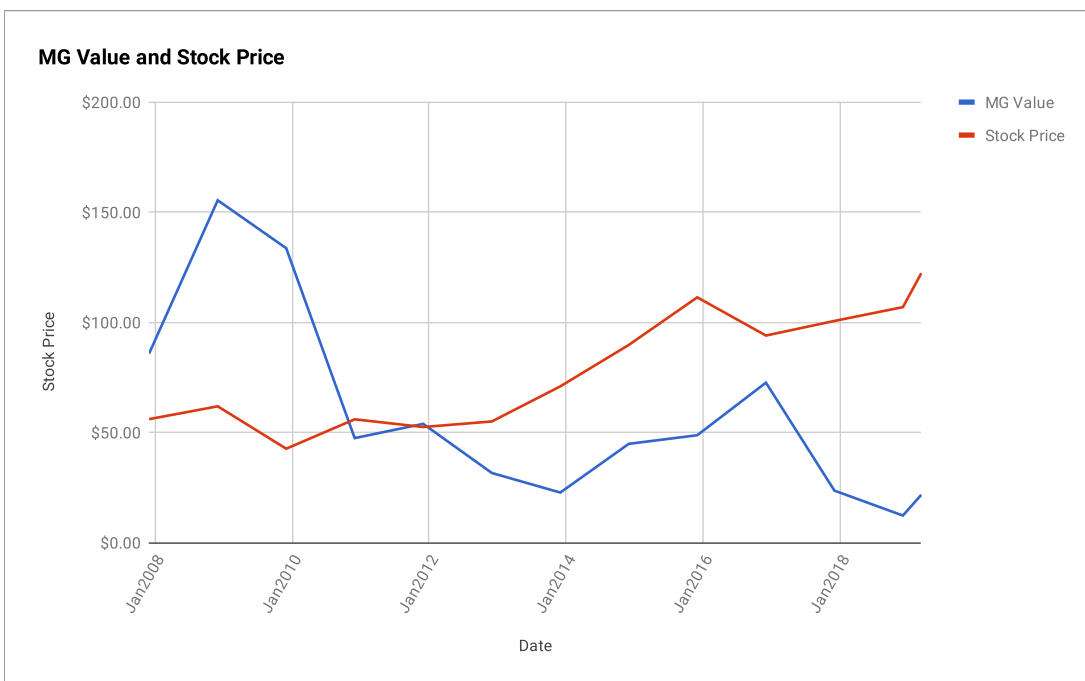
## Stage 3: Information for Further Research

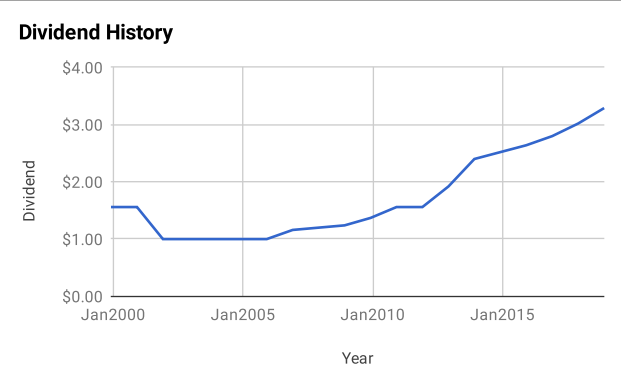
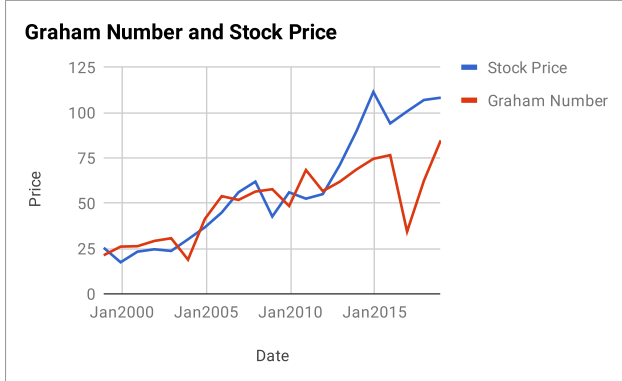
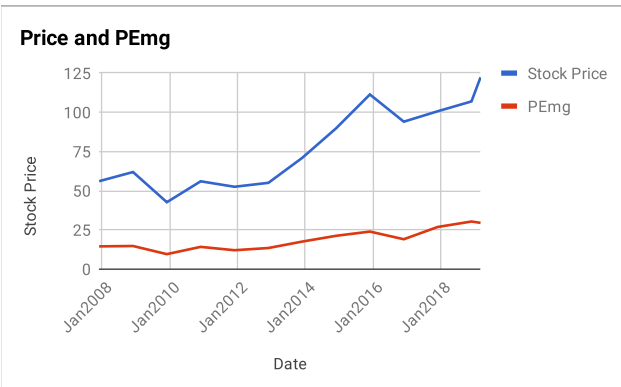
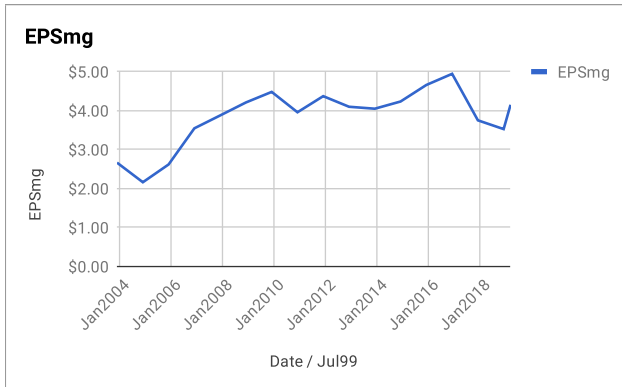
Net Current Asset Value (NCAV)	-\$136.52
Graham Number	\$84.66
PEmg	29.47
Current Ratio	0.48
PB Ratio	1.76
Current Dividend	\$3.58
Dividend Yield	2.93%
Number of Consecutive Years of Dividend Growth	8

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.85	Next Fiscal Year Estimate	\$4.15
Dec2018	\$3.42	Dec2018	\$3.53
Dec2017	\$1.01	Dec2017	\$3.75
Dec2016	\$5.46	Dec2016	\$4.94
Dec2015	\$5.37	Dec2015	\$4.66
Dec2014	\$4.63	Dec2014	\$4.23
Dec2013	\$4.01	Dec2013	\$4.05
Dec2012	\$3.48	Dec2012	\$4.10
Dec2011	\$5.51	Dec2011	\$4.37
Dec2010	\$2.86	Dec2010	\$3.96
Dec2009	\$4.52	Dec2009	\$4.48
Dec2008	\$4.43	Dec2008	\$4.21
Dec2007	\$4.16	Dec2007	\$3.88
Dec2006	\$5.38	Dec2006	\$3.55
Dec2005	\$3.65	Dec2005	\$2.62
Dec2004	\$0.92	Dec2004	\$2.16
Dec2003	\$3.03	Dec2003	\$2.66
Dec2002	\$2.87	<b>Balance Sheet Information 12/1/2018</b>	
Dec2001	\$2.52	Total Current Assets	\$3,645,000,000
Dec2000	\$2.06	Total Current Liabilities	\$7,523,000,000
Dec1999	\$1.66	Long-Term Debt	\$21,611,000,000
		Total Assets	\$60,638,000,000
		Intangible Assets	\$2,645,000,000
		Total Liabilities	\$41,390,000,000
		Shares Outstanding (Diluted Average)	276,476,000





**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**
- [Sempra Energy Valuation – May 2018 \\$SRE](#)
  - [Sempra Energy Valuation – February 2017 \\$SRE](#)
  - [Sempra Energy Valuation – October 2015 Update \\$SRE](#)
  - [Sempra Energy Annual Valuation – October 2014 \\$SRE](#)

- Other ModernGraham posts about related companies**
- [NextEra Energy Inc Valuation – February 2019 \\$NEE](#)
  - [Dominion Energy Inc Valuation – February 2019 \\$D](#)
  - [Exelon Corp Valuation – January 2019 \\$EXC](#)
  - [NRG Energy Inc Valuation – January 2019 \\$NRG](#)
  - [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](#)