

PG&E Corp PCG ★★★

PG&E is a holding company whose main subsidiary is Pacific Gas and Electric, a regulated utility operating in Central and Northern California that serves 5.3 million electricity customers and 4.4 million gas customers in 47 of the state's 58 counties. PG&E operated under bankruptcy court supervision between January 2019 and June 2020. In 2004, PG&E sold its unregulated assets as part of an earlier postbankruptcy reorganization.

Growth Rates (Compound Annual)

Grade: D	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	2.2	-1.0	0.1	2.5
Operating Income %	-35.3	-15.3	-11.4	-5.3
Earnings/Share %	—	—	—	—
Dividends %	—	—	—	—
Book Value/Share %	-60.1	-35.0	-21.8	-10.0
Stock Total Return	-9.4	-35.4	-21.4	-6.3
+/- Industry	-7.0	-45.8	-32.6	-15.6
+/- Market	-27.5	-48.6	-39.3	-20.2

Profitability Analysis

Grade: F	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	-34.8	-21.3	5.9	27.3
Return on Assets %	-5.7	-2.6	1.7	8.7
Revenue/Employee \$K	802.8	731.2	—	836.8
Fixed Asset Turns	0.3	0.3	0.3	5.8
Inventory Turns	19.7	24.7*	7.9	12.5
Gross Margin %	31.6	28.7	39.0	43.1
Operating Margin %	11.8	11.7	15.7	18.7
Net Margin %	-27.8	-12.6	8.1	15.6
Free Cash Flow/Rev %	—	—	-1383.0	19.6
R&D/Rev %	—	—	0.0	—

Financial Position (USD)

Grade: C	12-19 \$Mil	09-20 \$Mil
Cash	1570	464
Inventories	647	646
Receivables	6987	6536
Current Assets	10165	9798
Fixed Assets	63921	66563
Intangibles	—	—
Total Assets	85196	95587
Payables	4317	5801
Short-Term Debt	1500	2432
Current Liabilities	7631	13321
Long-Term Debt	17753	36311
Total Liabilities	79808	74523
Total Equity	5136	20812

Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	—	45.9	30.0	28.3
Forward P/E	12.1	—	—	32.3
Price/Cash Flow	—	4.3	0.1	16.5
Price/Free Cash Flow	—	394.2	—	45.1
Dividend Yield %	—	—	3.1	1.6
Price/Book	1.1	1.5	1.8	4.0
Price/Sales	0.6	1.1	2.4	6.9
PEG Ratio	—	—	—	3.4

*3Yr Avg data is displayed in place of 5 Yr Avg



Fair Value	Uncertainty	Economic Moat	Sector	Style	Market Cap (Mil)	Sales (Mil)	Last Close
\$11.00	High	None	Utilities	Mid Value	23,795	18,464	11.99
High	47.99	47.03	48.50	55.24	60.21	65.43	71.57
Low	36.84	39.40	39.91	39.43	47.33	50.65	41.61
	25.19	18.34	12.53	10.77	3.55	6.25	11.80

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Stock Performance
Total Return %	-10.0	1.9	4.8	36.7	3.3	17.9	-23.7	-47.0	-54.2	14.6	-3.8	Total Return %
+/- Market	-12.1	-14.1	-27.6	23.0	1.9	5.9	-45.5	-42.6	-85.7	-3.8	-6.4	+/- Market
Dividend Yield %	-11.7	0.3	-5.4	9.2	5.1	0.7	-35.5	-47.4	-79.8	12.4	-3.3	+/- Industry
Market Cap \$Mil	4.4	4.5	4.5	3.4	3.4	3.2	4.6	—	—	—	—	Dividend Yield %
	16730	17306	18395	25338	26171	30729	23062	12358	5753	24728	23795	Market Cap \$Mil

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TTM	Financials (USD)
Revenue \$Mil	13841	14956	15040	15598	17090	16833	17666	17135	16759	17129	18464	Revenue \$Mil
Gross Margin %	30.4	27.8	26.4	24.6	28.6	24.5	28.1	33.6	30.5	26.7	31.6	Gross Margin %
Oper Income \$Mil	2308	1942	1693	1762	2450	1508	2205	2905	2071	1341	2174	Oper Income \$Mil
Operating Margin %	16.7	13.0	11.3	11.3	14.3	9.0	12.5	17.0	12.4	7.8	11.8	Operating Margin %
Net Income \$Mil	1113	858	830	828	1450	888	1407	1660	-6837	-7642	-5121	Net Income \$Mil
Earnings Per Share \$	2.82	2.10	1.92	1.83	3.06	1.79	2.78	3.21	-13.25	-14.50	-8.35	Earnings Per Share \$
Dividends \$	1.82	1.82	1.82	1.82	1.82	1.82	1.93	1.55	0.00	0.00	0.00	Dividends \$
Shares Mil	392	402	425	445	470	487	501	513	517	528	891	Shares Mil
Book Value Per Share \$	28.55	29.01	30.35	30.67	33.16	33.67	34.24	36.98	37.37	16.51	10.49	Book Value Per Share \$
Oper Cash Flow \$Mil	3206	3739	4882	3427	3690	3780	4409	5977	4752	4816	-18470	Oper Cash Flow \$Mil
Cap Spending \$Mil	-3802	-4038	-4624	-5207	-4833	-5173	-5709	-5641	-6514	-6313	-7596	Cap Spending \$Mil
Free Cash Flow \$Mil	-596	-299	258	-1780	-1143	-1393	-1300	336	-1762	-1497	-26066	Free Cash Flow \$Mil

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TTM	Profitability
Return on Assets %	2.5	1.8	1.6	1.5	2.5	1.4	2.1	2.4	-9.5	-9.4	-5.7	Return on Assets %
Return on Equity %	10.2	7.2	6.5	5.9	9.5	5.4	8.1	8.9	-43.0	-86.1	-34.8	Return on Equity %
Asset Turnover	0.31	0.31	0.29	0.29	0.30	0.27	0.27	0.25	0.23	0.21	0.20	Asset Turnover
Net Margin %	7.9	5.6	5.4	5.2	8.4	5.2	7.9	9.6	-40.9	-44.7	-27.8	Net Margin %
Financial Leverage	4.1	4.1	4.0	3.9	3.8	3.8	3.8	3.5	6.1	16.6	4.6	Financial Leverage

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	09-20	Financial Health (USD)
Long-Term Debt \$Mil	11329	11766	12517	12717	15050	15925	16220	17753	—	—	36311	Long-Term Debt \$Mil
Total Equity \$Mil	11282	12101	13074	14342	15748	16576	17940	19220	12651	5136	20812	Total Equity \$Mil
Debt/Equity	1.00	0.97	0.96	0.89	0.96	0.96	0.90	0.92	—	0.34	1.81	Debt/Equity
Working Capital \$Mil	-1643	-1269	-1135	-1516	469	-550	-1400	-848	-32500	2534	-3523	Working Capital \$Mil

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TTM	Valuation
Price/Earnings	16.3	20.9	25.0	17.9	29.6	36.6	10.3	95.2	-0.5	-1.5	—	Price/Earnings
P/E vs. Market	—	0.0	0.0	0.0	0.0	—	—	0.1	0.0	0.0	—	P/E vs. Market
Price/Sales	1.1	1.1	1.1	1.5	1.5	1.8	1.3	0.7	0.3	0.6	0.6	Price/Sales
Price/Book	1.4	1.3	1.3	1.6	1.6	1.8	1.2	0.6	0.7	1.2	1.1	Price/Book
Price/Cash Flow	4.0	3.5	4.2	7.0	7.0	7.5	3.9	2.2	1.2	-0.6	—	Price/Cash Flow

Quarterly Results (USD)

Revenue \$	Dec	Mar	Jun	Sep
Most Recent	4743.0	4306.0	4533.0	4882.0
Previous	4088.0	4011.0	3943.0	4432.0
Rev Growth %	Dec	Mar	Jun	Sep
Most Recent	16.0	7.4	15.0	10.2
Previous	-0.3	-1.1	-6.9	1.2
Earnings Per Share \$	Dec	Mar	Jun	Sep
Most Recent	-6.85	0.57	-3.73	0.04
Previous	-13.29	0.25	-4.83	-3.06

Close Competitors

	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
Sempra Energy	35300	11142	18.9	20.8
Edison International	22457	13391	64.5	2.7

Major Fund Holders

	% of shares
Vanguard US Total Market Shares ETF	2.11
Vanguard Total Stock Mkt Idx Inv	2.11
VA CollegeAmerica Grth Fund of Amer 529A	2.01

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Stock Detail Report

Disclosure Statement

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Last Close \$

The stock price shown represents the market price of the stock as of the close of trading on the release date noted at the top of the investment detail page.

Market Capitalization \$ mil

The value of a company as determined by the market price of its outstanding common stock. It is calculated by multiplying the market price as of the close of trading as of the last day of the most recent month-end by the number of shares outstanding as of the most recently completed fiscal quarter. It may be used as an indicator of how investors value a company's future prospects.

Morningstar Rating

The Morningstar Rating for stocks is calculated by comparing Morningstar's assessment of a stock's fair value with the stock's current market price. The rating is assigned a five star rating if fair value is 30% or more above the current market price, four star rating if it is 10% to 30% above the current market price, three star rating if fair value is 10% above or below the current market price, two star rating if fair value is 10% to 30% below the current market price, and a one star rating for a fair value of 30% or more below the current market price.

Fair Value Uncertainty

The Uncertainty Rating represents the analysts' ability to bound the estimated value of the shares in a company around the Fair Value Estimate, based on the characteristics of the business underlying the stock, including operating and financial leverage, sales sensitivity to the overall economy, product concentration, pricing power, exposure to material ESG risks, and other company-specific factors. Based on these factors, analysts classify the stock into one of several uncertainty levels: Low, Medium, High, Very High, or Extreme. Our recommended margin of safety—the discount to fair value demanded before we'd recommend buying or selling the stock—widens as our uncertainty of the estimated value of the equity increases.

Fair Value

Each stock's fair value is estimated by utilizing a proprietary discounted cash flow model (DCF). This model assumes that the stock's value is equal to the total of the free cash flows of the company is expected to generate in the future, discounted back to the present at the rate commensurate with the riskiness of the cash flows. As with any DCF model, the ending value is highly sensitive to Morningstar's projections of future growth.

Economic Moat

Economic Moat measures the strength and sustainability of a firm's competitive advantage. Many factors are considered when assigning this rating, including the firm's historical and forecast performance, the source of the company's excess economic profits, ability to produce products at lower costs than competitors, governmental protection via patents/copyrights, high customer switching costs, network effects, efficient scale, and other various considerations as determined by our analyst staff. The rating value assigned will

be either none, narrow, or wide.

Style

The Morningstar Style consists of nine categories that provide an overview of the investment strategy. The style is comprised of a combination of market capitalization of the security and the investment style (value, blend, or growth).

Stock Grades

The grading system is a letter-based system from A through F, with A being the highest. The Growth Grade shows how well the company's growth compares with the Morningstar universe. Growth is measured by revenue per share. The Profitability Grade shows how well a company's profitability, as measured by return on equity, compares with the Morningstar universe. The Financial Health Grade compares a company's enterprise value with the book value of its liabilities, rewarding those firms that have a low probability of enterprise value falling below the value of liabilities.

Stock Performance

Total Return represents shareholders' gains from a stock over a given period of time (YTD, one month, three month, one-, three-, and five year). Total return includes both capital gains and losses and dividend payments. It is calculated by taking the change in the stock's price as of the close of trading of the respective period, assuming dividends are not reinvested, then dividing by the initial stock price, and expressing the result as a percentage. Returns for periods longer than one year are annualized. Returns do not include brokerage commission or the effects of taxation.

Financials

Earnings per share \$ (EPS), diluted EPS, is calculated by dividing net income net of preferred dividends by a weighted average of total shares outstanding plus additional common shares that would have been outstanding if the dilutive common share would have been issued for the trailing 12 months (TTM).

Dividend per share \$ is the dollar amount of dividends paid out by the company in a particular period to its common shareholders, as reported by the company.

Profitability

Return on Assets (ROA) is the percentage a company earns on its assets in a given year (year 1, 2, etc.). The calculation is net income divided by end-of-year total assets, then multiplied by 100.

Return on Equity (ROE) is the percentage a company earns on its total equity in a given year (Year 1, 2, etc.). The calculation is net income divided by end-of-year net worth, multiplied by 100.

Net Margin is a measure of profitability. It is equal to annual net income divided by revenues from the same period for the past five fiscal years, multiplied by 100.

Asset Turnover represents how many dollars in revenue a company has generated per each dollar of assets. It is calculated by dividing total revenues for the period by total assets for the same period.

Financial leverage is calculated by dividing total assets by total shareholders' equity.

Valuation

Price/Earnings (PE) is the current price divided by the company's trailing 12-month earnings per share.

Price/Book (PB) is the most recent stock price divided by the most recent book value per share.

Price/Sales (PS) is the current price divided by the company's sales per share over the trailing 12 months.

Price/Cash Flow (PC) is the most recent price divided by the cash flow per share of the latest fiscal year.

Growth Rates

All the figures in the Growth section represent the compounded or annualized growth rate. These figures are collected for revenue, net income, EPS, equity per share, and dividends.

Profitability Analysis

The below referenced items are reported as both a current value and a 5-year average figure.

Return on Equity % is the percentage a company earns on its total equity in a given year. The calculation is net income divided by end-of-year net worth.

Return on Assets % is the percentage a company earns on its assets in a given year. The calculation is net income divided by end-of-year total assets.

Revenue/Employee \$K looks at a company's sales in relation to the number of employees it has. This ratio is most useful when compared against other companies in the same industry. Ideally, a company wants the highest revenue per employee possible, as it denotes higher productivity.

Operating Margin % is used to measure pricing strategy and operating efficiency. It is calculated by dividing operating income by net sales. Also known as operating profit margin or net profit margin.

Net Margin % is equal to annual net income divided by revenues.

Free Cash Flow/Rev % is free cash flow divided by sales for the same time period. Free cash flow is calculated by subtracting capital spending from cash flow from operations for the same time period. It is the money left over after investment, and it can be used to pay dividends, buy back stock, or pay down debt.

Valuation Analysis

The below referenced items are reported as both a current value and a 5-year average figure.

Price/Earnings is the stock's price divided by the company's earnings per share.

Forward P/E ratio is the most-recent stock price divided by the mean EPS estimate for the current fiscal year. This number gives some indication of how cheap or expensive a stock is compared with consensus earnings estimates. The lower the forward P/E, the cheaper the stock. Reuters Estimates data is used in the denominator of this calculation.

Price/Cash Flow is the stock's price divided by the cash-flow per share of the latest fiscal year.

Price/Free Cash Flow is the free cash flow divided by its "enterprise value", or market capitalization plus net debt. This number tells you what cash return you would get if you bought the entire company, including its debt.

Dividend Yield % is a percentage calculated by dividing total dividends by the current market price and multiplying by 100.

Price/Book is the stock price divided by the book value per share.

Price/Sales is the stock's price divided by the company's sales per share.

PEG Ratio is Forward P/E ratio divided by the company's EPS Growth % Five-Year Mean Estimate. The Forward P/E ratio used in the numerator of this ratio is calculated by taking the current share price and dividing by the mean EPS estimate for the current fiscal year. The denominator is the average estimate of long-term EPS growth, derived from all polled analysts' estimates from Reuters Estimates.

Market

Standard & Poor's 500: A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market.