ModernGraham Valuation

Company Name: Western Refining, Inc.

Company Ticker WNR

Date of Analysis 10/29/2015

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	$3,984,877,568	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.04	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	64.12%	Pass
6. Moderate PEmg Ratio	PEmg < 20	10.46	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.12	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	2.04	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.50	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		Pass

Suitability

Defensive	**No**
Enterprising	**Yes**

Stage 2: Determination of Intrinsic Value

EPSmg	$3.98
MG Growth Estimate	15.00%
MG Value	**$153.41**
MG Value based on 3% Growth	$57.78
MG Value based on 0% Growth	$33.87
Market Implied Growth Rate	0.98%

MG Opinion

Current Price	$41.69
% of Intrinsic Value	27.18%
Opinion	**Undervalued**

Stage 3: Information for Further Research

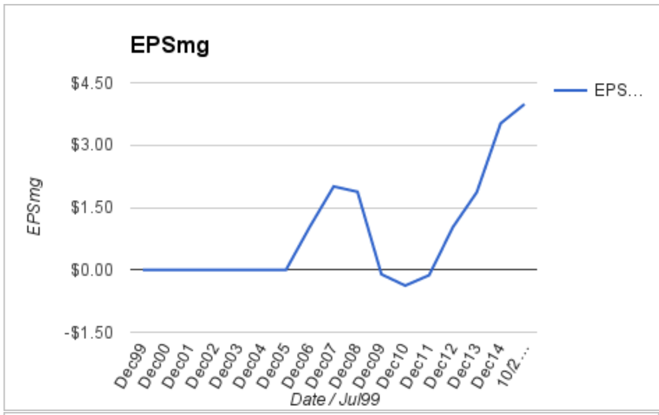
Net Current Asset Value (NCAV)	-$27.11
Graham Number	$34.85
PEmg	10.46
Current Ratio	2.04
PB Ratio	3.12
Dividend Yield	2.88%
Number of Consecutive Years of Dividend Growth	4

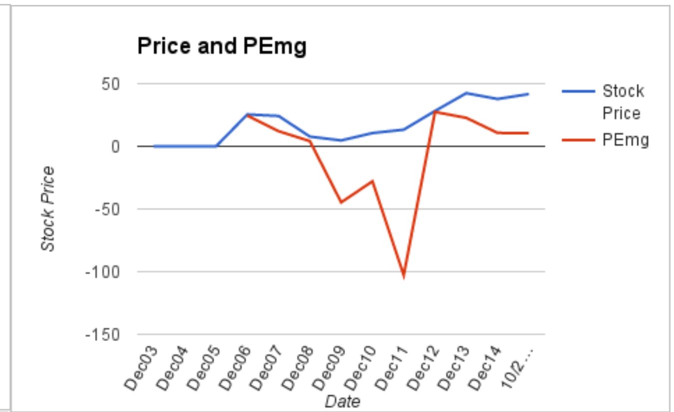
Useful Links:

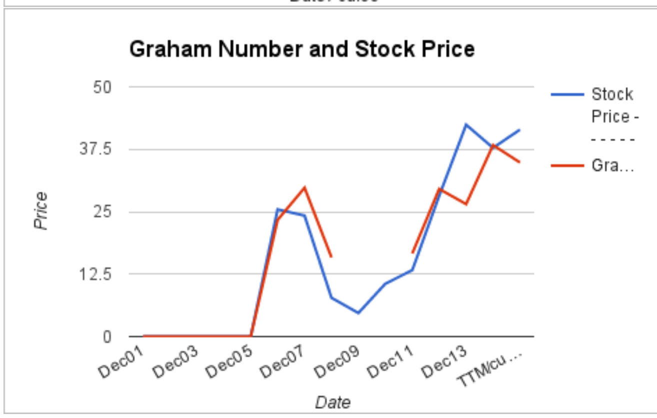
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

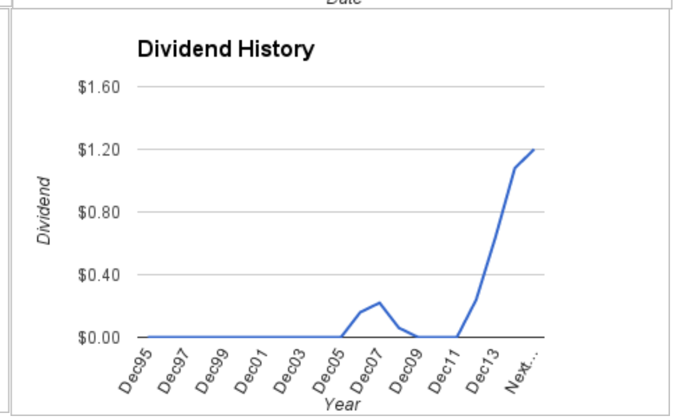
EPS History		**EPSmg History**	
Next Fiscal Year Estimate	$4.04	Next Fiscal Year Estimate	$3.98
Dec14	$5.61	Dec14	$3.52
Dec13	$2.79	Dec13	$1.87
Dec12	$3.71	Dec12	$1.03
Dec11	$1.34	Dec11	-$0.13
Dec10	-$0.19	Dec10	-$0.38
Dec09	-$4.43	Dec09	-$0.11
Dec08	$0.94	Dec08	$1.88
Dec07	$3.53	Dec07	$2.01
Dec06	$3.11	Dec06	$1.04
Dec05	$0.00	Dec05	$0.00
Dec04	$0.00	Dec04	$0.00
Dec03	$0.00	Dec03	$0.00
Dec02	$0.00	Dec02	$0.00
Dec01	$0.00	Dec01	$0.00
Dec00	$0.00	Dec00	$0.00
Dec99	$0.00	Dec99	$0.00
Dec98	$0.00		
Dec97	$0.00		
Dec96	$0.00		
Dec95	$0.00		

Balance Sheet Information	**Jun15**
Total Current Assets	$2,084,182,000
Total Current Liabilities	$1,020,961,000
Long-Term Debt	$1,592,137,000
Total Assets	$5,953,549,000
Intangible Assets	$1,374,427,000
Total Liabilities	$4,676,994,000
Shares Outstanding (Diluted Average)	95,626,000









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

- 10 Most Undervalued Companies for the Enterprising Investor – October 2015
- 10 Companies Benjamin Graham Would Invest In Today – September 2015
- The Best Companies of the Oil & Gas Industry – August 2015
- 10 Low PE Stocks for the Enterprising Investor – August 2015
- The 16 Best Stocks For Value Investors This Week – 8/1/15

Other ModernGraham posts about related companies

- Valero Energy Corporation Valuation – October 2015 Update $VLO
- Schlumberger Limited Valuation – October 2015 Update $SLB
- National Oilwell Varco Inc. Valuation – October 2015 Update $NOV
- Tesoro Corporation Analysis – October 2015 Update $TSO
- Cameron International Company Analysis – September 2015 Update $CAM
- Halliburton Company Analysis – September 2015 Update $HAL
- Kinder Morgan Inc. Analysis – September 2015 Update $KMI
- Range Resources Corporation Analysis – August 2015 Update $RRC
- Helmerich & Payne Inc. Analysis – August 2015 Update $HP
- FMC Technologies Inc. Analysis – August 2015 Update $FTI