

ModernGraham Valuation

Company Name:

Spectra Energy Corp.

Company Ticker SE

Date of Analysis

6/24/2016



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	\$24,365,564,520	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.47	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	-36.64%	Fail
5. Earnings Growth	PEmg < 20	32.80	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.24	Fail
7. Moderate Price to Assets			

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	0.47	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.81	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

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.05
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$15.20
MG Value based on 0% Growth	\$8.91
Market Implied Growth Rate	12.15%

MG Opinion

Current Price	\$34.37
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$37.71
Graham Number	\$15.65
PEmg	32.80
Current Ratio	0.47
PB Ratio	3.24
Current Dividend	\$1.52
Dividend Yield	4.41%
Number of Consecutive Years of Dividend Growth	6

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.04	Next Fiscal Year Estimate	\$1.05
Dec2015	\$0.29	Dec2015	\$1.15
Dec2014	\$1.61	Dec2014	\$1.58
Dec2013	\$1.55	Dec2013	\$1.56
Dec2012	\$1.43	Dec2012	\$1.58
Dec2011	\$1.81	Dec2011	\$1.64
Dec2010	\$1.61	Dec2010	\$1.58
Dec2009	\$1.32	Dec2009	\$1.61
Dec2008	\$1.81	Dec2008	\$1.75
Dec2007	\$1.51	Dec2007	\$1.51
Dec2006	\$1.97	Dec2006	\$1.35
Dec2005	\$1.88	Dec2005	\$1.06
Dec2004	\$1.54	Dec2004	\$0.76
Dec2003	-\$1.48	Dec2003	\$0.59
Dec2002	\$1.22	Dec2002	\$1.65
Dec2000	\$2.34	Dec2000	\$1.86
Dec1998	\$1.25	Dec1998	\$1.38
Dec1997	\$1.87	Balance Sheet Information 3/1/2016	
Dec1996	\$1.86	Total Current Assets	\$1,475,000,000
Dec1995	\$1.91	Total Current Liabilities	\$3,163,000,000
Dec1994	-\$2.37	Long-Term Debt	\$13,190,000,000
		Total Assets	\$34,091,000,000
		Intangible Assets	\$4,211,000,000
		Total Liabilities	\$26,928,000,000
		Shares Outstanding (Diluted Average)	675,000,000





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.

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[Spectra Energy Corp \(SE\) Annual Valuation – 2014](#)

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[Cameron International Company Valuation – May 2016 \\$CAM](#)
[FMC Technologies Inc Valuation – March 2016 \\$FTI](#)
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