# **ModernGraham Valuation**

## **Company Name:**

Company Ticker TSE:SCL Date of Analysis Shawcor Ltd



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

12/13/2016

Defensive Investor; must pass 6 out of the following 7 tests.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$2,226,391,388	Pass
Sufficiently Strong Financial Condition	Current Ratio > 2	1.65	Fail
Earnings Stability	Positive EPS for 10 years prior		Fail
Dividend Record	Dividend Payments for 10 years prior		Pass
Fornings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at	40.00%	Fail
Lamings Growin		-49.90 /0	raii
Moderate PEmg Ratio	PEmg < 20	29.25	Fail
Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.64	Fail
pass 4 out of the following 5 tests, or be s	uitable for the Defensive Investor.		
Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.65	Pass
Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.63	Fail
Earnings Stability	Positive EPS for 5 years prior		Fail
Dividend Record	Currently Pays Dividend		Pass
Earnings Growth	EPSmg greater than 5 years ago		Fail
	Adequate Size of the Enterprise Sufficiently Strong Financial Condition Earnings Stability Dividend Record Earnings Growth Adderate PEmg Ratio Adderate Price to Assets Dass 4 out of the following 5 tests, or be s Sufficiently Strong Financial Condition Sufficiently Strong Financial Condition Earnings Stability Dividend Record	Adequate Size of the EnterpriseMarket Cap > \$2BilSufficiently Strong Financial ConditionCurrent Ratio > 2Earnings StabilityPositive EPS for 10 years priorDividend RecordDividend Payments for 10 years priorIncrease of 33% in EPS in past 10 years using 3 year averages at beginning and endAdderate PEmg RatioPEmg < 20	Adequate Size of the EnergiseMarket Cap > \$2Bil\$2,226,391,388Sufficiently Strong Financial ConditionCurrent Ratio > 21.65Earnings StabilityPositive EPS for 10 years prior1.65Dividend RecordDividend Payments for 10 years prior1.65Earnings Growthbeginning and end-49.90%Moderate PEmg RatioPEmg < 20

#### Suitability

Defensive	No
Enterprising	No

### Stage 2: Determination of Intrinsic Value

	EPSmg		\$1.18
	MG Growth Estimate		-4.25%
	MG Value		\$0.00
	MG Value based on 3% Growth		\$17.05
	MG Value based on 0% Growth		\$10.00
	Market Implied Growth Rate		10.38%
MG Opinion			
	Current Price		\$34.40
	% of Intrinsic Value	N/A	
	Opinion	Overvalued	
	MG Grade	D	

### Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.63
Graham Number	\$0.00
PEmg	29.25
Current Ratio	1.65
PB Ratio	2.64
Current Dividend	\$0.60
Dividend Yield	1.74%
Number of Consecutive Years of Dividend	
Growth	1

Useful Links:

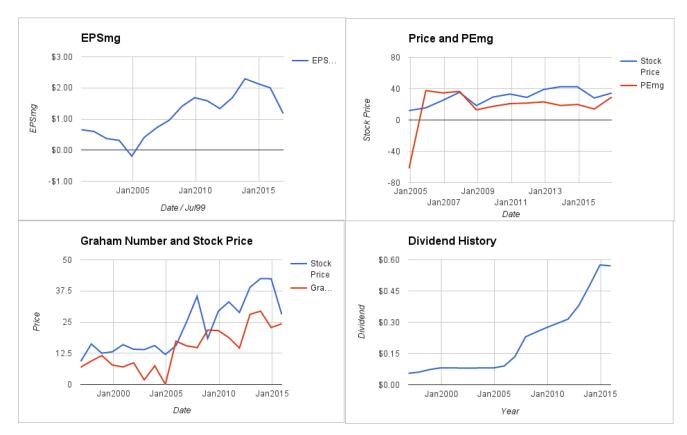
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EPS History		EPSmg History	
Next Fiscal Year			
Estimate	-\$0.51	Next Fiscal Year Estimate	\$1.18
Dec2015	\$1.52	Dec2015	\$2.00
Dec2014	\$1.53	Dec2014	\$2.14
Dec2013	\$3.51	Dec2013	\$2.29
Dec2012	\$2.50	Dec2012	\$1.69
Dec2011	\$0.78	Dec2011	\$1.33
Dec2010	\$1.33	Dec2010	\$1.58
Dec2009	\$1.85	Dec2009	\$1.69
Dec2008	\$2.03	Dec2008	\$1.41
Dec2007	\$1.19	Dec2007	\$0.97
Dec2006	\$1.25	Dec2006	\$0.72
Dec2005	\$1.85	Dec2005	\$0.41
Dec2004	-\$1.16	Dec2004	-\$0.19
Dec2003	\$0.34	Dec2003	\$0.31
Dec2002	\$0.02	Dec2002	\$0.37
Dec2001	\$0.54	Dec2001	\$0.60
Dec2000	\$0.39	Dec2000	\$0.66
Dec1999	\$0.50	Balance Sheet Information	9/1/2016
Dec1998	\$1.13	Total Current Assets	\$556,213,000
Dec1997	\$0.95	Total Current Liabilities	\$337,475,000
Dec1996	\$0.60	Long-Term Debt	\$355,711,000
		Total Assets	\$1,633,241,000
		Intangible Assets	\$540,574,000
		Total Liabilities	\$790,796,000
		Shares Outstanding (Diluted Average)	64,611,000





#### 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 #N/A

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 Occidental Petroleum Corp Valuation – August 2016 \$OXY

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