

ModernGraham Valuation

Company Name:

Shawcor Ltd

Company Ticker TSE:SCL

Date of Analysis

12/13/2016



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	\$2,226,391,388	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.65	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-49.90%	Fail
6. Moderate PEmg Ratio	PEmg < 20	29.25	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.64	Fail

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	1.65	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.63	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
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	\$1.18
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:

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

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2015	-\$0.51	Dec2015	\$1.18
Dec2014	\$1.52	Dec2014	\$2.00
Dec2013	\$1.53	Dec2013	\$2.14
Dec2012	\$3.51	Dec2012	\$2.29
Dec2011	\$2.50	Dec2011	\$1.69
Dec2010	\$0.78	Dec2010	\$1.33
Dec2009	\$1.33	Dec2009	\$1.58
Dec2008	\$1.85	Dec2008	\$1.69
Dec2007	\$2.03	Dec2007	\$1.41
Dec2006	\$1.19	Dec2006	\$0.97
Dec2005	\$1.25	Dec2005	\$0.72
Dec2004	\$1.85	Dec2004	\$0.41
Dec2003	-\$1.16	Dec2003	-\$0.19
Dec2002	\$0.34	Dec2002	\$0.31
Dec2001	\$0.02	Dec2001	\$0.37
Dec2000	\$0.54	Dec2000	\$0.60
Dec1999	\$0.39	Dec2000	\$0.66
Dec1998	\$0.50	Balance Sheet Information 9/1/2016	
Dec1997	\$1.13	Total Current Assets	\$556,213,000
Dec1996	\$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:

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#N/A

Other ModernGraham posts about related companies

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- [FMC Technologies Inc Valuation – August 2016 \\$FTI](#)
- [Marathon Petroleum Corp Valuation – August 2016 \\$MPC](#)
- [Magellan Midstream Partners LP Valuation – August 2016 \\$MMP](#)
- [Enesco PLC Valuation – August 2016 \\$ESV](#)
- [Enterprise Products Partners LP Valuation – August 2016 \\$EPD](#)
- [Tidewater Inc Valuation – August 2016 \\$TDW](#)
- [Occidental Petroleum Corp Valuation – August 2016 \\$OXY](#)
- [Valero Energy Corporation – August 2016 \\$VLO](#)
- [Chevron Corp Valuation – August 2016 \\$CVX](#)