

# ModernGraham Valuation

## Company Name:

Company Ticker TSE:CNQ

Date of Analysis

1/29/2017

Canadian Natural  
Resources Limited



## 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	\$45,051,207,947	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.69	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	-75.27%	Fail
6. Moderate PEmg Ratio	PEmg < 20	61.68	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.73	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	0.69	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-9.44	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
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.65
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$9.47
MG Value based on 0% Growth	\$5.55
Market Implied Growth Rate	26.59%

### MG Opinion

Current Price	\$40.30
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

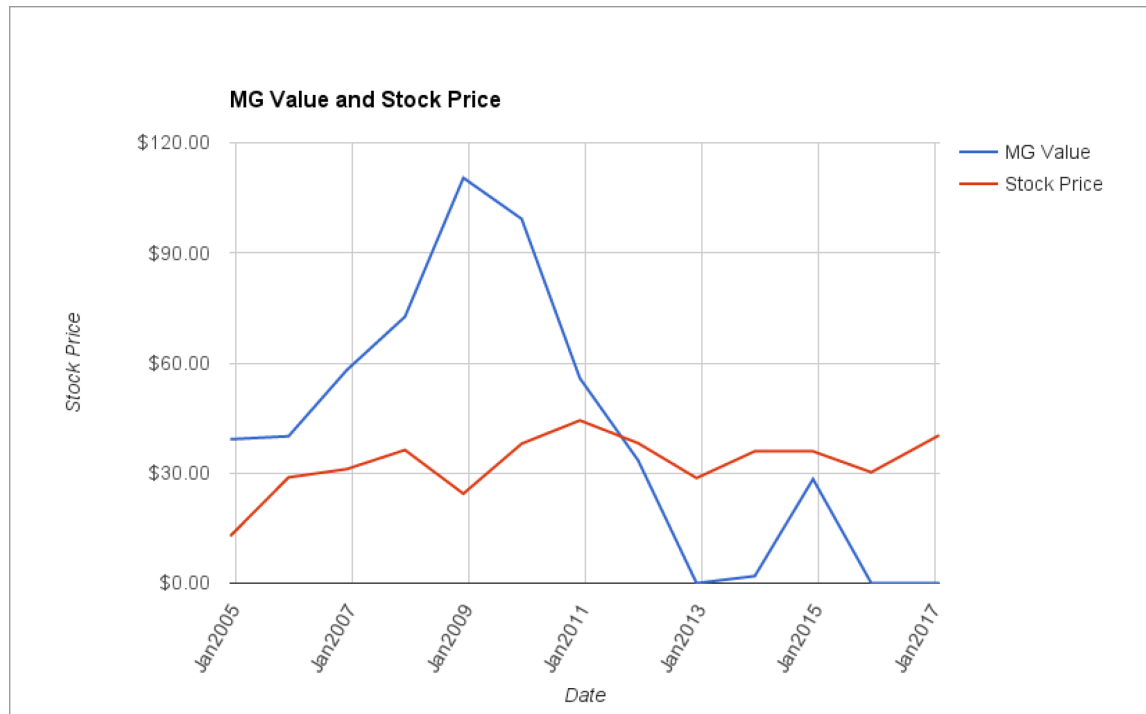
## Stage 3: Information for Further Research

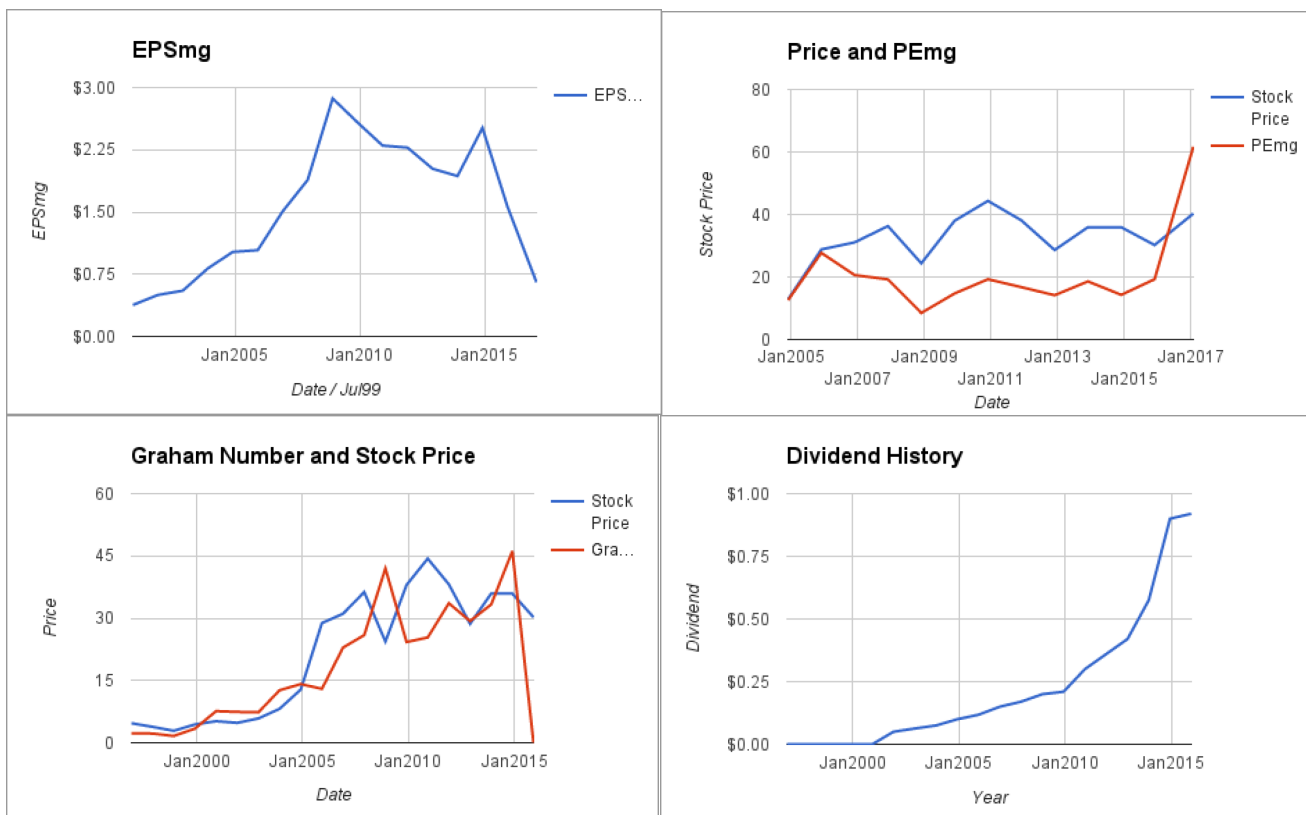
Net Current Asset Value (NCAV)	-\$26.12
Graham Number	\$0.00
PEmg	61.68
Current Ratio	0.69
PB Ratio	1.73
Current Dividend	\$0.92
Dividend Yield	2.28%
Number of Consecutive Years of Dividend Growth	17

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$0.90	Next Fiscal Year Estimate	\$0.65
Dec2015	-\$0.58	Dec2015	\$1.57
Dec2014	\$3.58	Dec2014	\$2.51
Dec2013	\$2.08	Dec2013	\$1.93
Dec2012	\$1.72	Dec2012	\$2.02
Dec2011	\$2.40	Dec2011	\$2.28
Dec2010	\$1.53	Dec2010	\$2.30
Dec2009	\$1.46	Dec2009	\$2.58
Dec2008	\$4.61	Dec2008	\$2.87
Dec2007	\$2.42	Dec2007	\$1.89
Dec2006	\$2.35	Dec2006	\$1.51
Dec2005	\$0.98	Dec2005	\$1.04
Dec2004	\$1.30	Dec2004	\$1.02
Dec2003	\$1.27	Dec2003	\$0.82
Dec2002	\$0.54	Dec2002	\$0.55
Dec2001	\$0.65	Dec2001	\$0.50
Dec2000	\$0.81	Dec2000	\$0.38
Dec1999	\$0.24	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$0.07	Total Current Assets	\$3,533,000,000
Dec1997	\$0.14	Total Current Liabilities	\$5,142,000,000
Dec1996	\$0.14	Long-Term Debt	\$15,194,000,000
		Total Assets	\$57,960,000,000
		Intangible Assets	\$0
		Total Liabilities	\$32,316,000,000
		Shares Outstanding (Diluted Average)	1,102,117,000





**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

Other ModernGraham posts about related companies

- [SM Energy Co Valuation – Initial Coverage \\$SM](#)
- [Kinder Morgan Inc Valuation – January 2017 \\$KMI](#)
- [South Jersey Industries Inc Valuation – Initial Coverage \\$SJI](#)
- [Secure Energy Services Inc Valuation – Initial Coverage \\$TSE:SES](#)
- [Surge Energy Inc Valuation – Initial Coverage \\$TSE:SGY](#)
- [Range Resources Corp Valuation – January 2017 \\$RRC](#)
- [Seacor Holdings Inc Valuation – Initial Coverage \\$CKH](#)
- [Inter Pipeline Ltd Valuation – Initial Coverage \\$TSE:IPL](#)
- [CIRCOR International Inc Valuation – Initial Coverage \\$CIR](#)
- [National-Oilwell Varco Valuation – December 2016 \\$NOV](#)