

# ModernGraham Valuation

## Company Name:

Company Ticker KWR

Date of Analysis

2/25/2017

Quaker Chemical Corp



## 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	\$1,781,214,400	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.16	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	211.14%	Pass
6. Moderate PEmg Ratio	PEmg < 20	32.32	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.40	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	3.16	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.28	Pass
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
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.18
MG Growth Estimate	5.80%
<b>MG Value</b>	<b>\$83.99</b>
MG Value based on 3% Growth	\$60.57
MG Value based on 0% Growth	\$35.51
Market Implied Growth Rate	11.91%

### MG Opinion

Current Price	\$135.01
% of Intrinsic Value	160.74%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$7.66
Graham Number	\$55.37
PEmg	32.32
Current Ratio	3.16
PB Ratio	4.40
Current Dividend	\$1.31
Dividend Yield	0.97%
Number of Consecutive Years of Dividend Growth	9

### 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	\$4.47	Next Fiscal Year Estimate	\$4.18
Dec2015	\$3.84	Dec2015	\$4.00
Dec2014	\$4.26	Dec2014	\$3.96
Dec2013	\$4.27	Dec2013	\$3.59
Dec2012	\$3.63	Dec2012	\$3.01
Dec2011	\$3.66	Dec2011	\$2.50
Dec2010	\$2.80	Dec2010	\$1.82
Dec2009	\$1.47	Dec2009	\$1.24
Dec2008	\$1.05	Dec2008	\$1.07
Dec2007	\$1.52	Dec2007	\$1.08
Dec2006	\$1.18	Dec2006	\$0.92
Dec2005	\$0.17	Dec2005	\$0.86
Dec2004	\$0.90	Dec2004	\$1.25
Dec2003	\$1.52	Dec2003	\$1.45
Dec2002	\$1.51	Dec2002	\$1.43
Dec2001	\$0.84	Dec2001	\$1.40
Dec2000	\$1.93	Dec2000	\$1.48
Dec1999	\$1.74	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$1.20	Total Current Assets	\$394,113,000
Dec1997	\$1.45	Total Current Liabilities	\$124,761,000
Dec1996	-\$0.88	Long-Term Debt	\$75,607,000
		Total Assets	\$697,471,000
		Intangible Assets	\$149,113,000
		Total Liabilities	\$293,228,000
		Shares Outstanding (Diluted Average)	13,174,000





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

[Kraton Corp Valuation – Initial Coverage \\$KRA](#)  
[Koppers Holdings Inc Valuation – Initial Coverage \\$KOP](#)  
[Air Products & Chemicals Inc Valuation – January 2017 \\$APD](#)  
[Compass Minerals International Inc Valuation – Initial Coverage \\$CMP](#)  
[A Schulman Inc Valuation – Initial Coverage \\$SHLM](#)  
[Innophos Holdings Inc Valuation – Initial Coverage \\$IPHS](#)  
[Innospec Inc Valuation – Initial Coverage \\$IOSP](#)  
[Chemtrade Logistics Income Fund Valuation – Initial Coverage \\$TSE:CHE.UN](#)  
[Albemarle Corporation Valuation – August 2016 \\$ALB](#)  
[Air Products & Chemicals Inc Valuation – August 2016 \\$APD](#)