

# ModernGraham Valuation

Company Name:

Suncor Energy Inc.

Company Ticker TSE:SU

Date of Analysis

3/1/2017



## 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	\$69,945,982,192	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.36	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	-86.17%	Fail
6. Moderate PEmg Ratio	PEmg < 20	49.51	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.56	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	1.36	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.55	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	\$0.84
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$12.25
MG Value based on 0% Growth	\$7.18
Market Implied Growth Rate	20.51%

### MG Opinion

Current Price	\$41.82
% 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)	-\$19.79
Graham Number	\$33.76
PEmg	49.51
Current Ratio	1.36
PB Ratio	1.56
Current Dividend	\$1.16
Dividend Yield	2.77%
Number of Consecutive Years of Dividend Growth	8

### 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	\$1.89	Next Fiscal Year Estimate	\$0.84
Dec2016	\$0.27	Dec2016	\$0.55
Dec2015	-\$1.38	Dec2015	\$0.96
Dec2014	\$1.84	Dec2014	\$2.18
Dec2013	\$2.60	Dec2013	\$2.26
Dec2012	\$1.76	Dec2012	\$2.06
Dec2011	\$2.67	Dec2011	\$2.24
Dec2010	\$2.43	Dec2010	\$2.15
Dec2009	\$0.95	Dec2009	\$2.06
Dec2008	\$2.26	Dec2008	\$2.47
Dec2007	\$3.17	Dec2007	\$2.38
Dec2006	\$3.16	Dec2006	\$1.82
Dec2005	\$1.24	Dec2005	\$1.08
Dec2004	\$1.17	Dec2004	\$0.93
Dec2003	\$1.13	Dec2003	\$0.73
Dec2002	\$0.81	Dec2002	\$0.49
Dec2001	\$0.39	Dec2001	\$0.32
Dec2000	\$0.39	<b>Balance Sheet Information 12/1/2016</b>	
Dec1999	\$0.18	Total Current Assets	\$11,019,000,000
Dec1998	\$0.20	Total Current Liabilities	\$8,117,000,000
Dec1997	\$0.26	Long-Term Debt	\$16,103,000,000
		Total Assets	\$88,702,000,000
		Intangible Assets	\$3,075,000,000
		Total Liabilities	\$44,072,000,000
		Shares Outstanding (Diluted Average)	1,670,000,000





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.

### Recommended Reading:

Other  
ModernGraham  
posts about the  
company

#N/A

Other  
ModernGraham  
posts about related  
companies

- [Valero Energy Corp Valuation – February 2017 \\$VLO](#)
- [Tidewater Inc Valuation – February 2017 \\$TDW](#)
- [Occidental Petroleum Corp Valuation – February 2017 \\$OXY](#)
- [Carrizo Oil & Gas Inc Valuation – Initial Coverage \\$CRZO](#)
- [Denbury Resources Inc Valuation – February 2017 \\$DNR](#)
- [California Resources Corp Valuation – Initial Coverage \\$CRC](#)
- [Crew Energy Inc Valuation – Initial Coverage \\$TSE:CR](#)
- [Exxon Mobil Corp Valuation – February 2017 \\$XOM](#)
- [Superior Energy Services Inc Valuation – Initial Coverage \\$SPN](#)
- [2017 Oil & Gas Industry Review](#)