# ModernGraham Valuation

## Company Name: US Ecology Inc

Company Ticker ECOL

Date of Analysis 8/13/2017

### 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 | $1,044,508,956 | Fail |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 1.91 | Fail |
| 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 | 68.94% | Pass |
| 6. Moderate PEmg Ratio | PEmg < 20 | 30.37 | Fail |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 3.65 | 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 | 1.91 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 4.60 | Fail |
| 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**

| | |
|---|---|
| **Defensive** | **No** |
| **Enterprising** | **Yes** |

### Stage 2: Determination of Intrinsic Value

| | | |
|---|---|---|
| EPSmg | | $1.58 |
| MG Growth Estimate | | 3.29% |
| **MG Value** | | **$23.75** |
| MG Value based on 3% Growth | | $22.84 |
| MG Value based on 0% Growth | | $13.39 |
| Market Implied Growth Rate | | 10.94% |

*MG Opinion*

| | | |
|---|---|---|
| Current Price | | $47.85 |
| % of Intrinsic Value | | 201.44% |
| **Opinion** | **Overvalued** | |
| **MG Grade** | **C** | |

### Stage 3: Information for Further Research

| | |
|---|---|
| Net Current Asset Value (NCAV) | -$17.18 |
| Graham Number | $22.25 |
| PEmg | 30.37 |
| Current Ratio | 1.91 |
| PB Ratio | 3.65 |
| Current Dividend | $0.72 |
| Dividend Yield | 1.50% |
| Number of Consecutive Years of Dividend Growth | 0 |

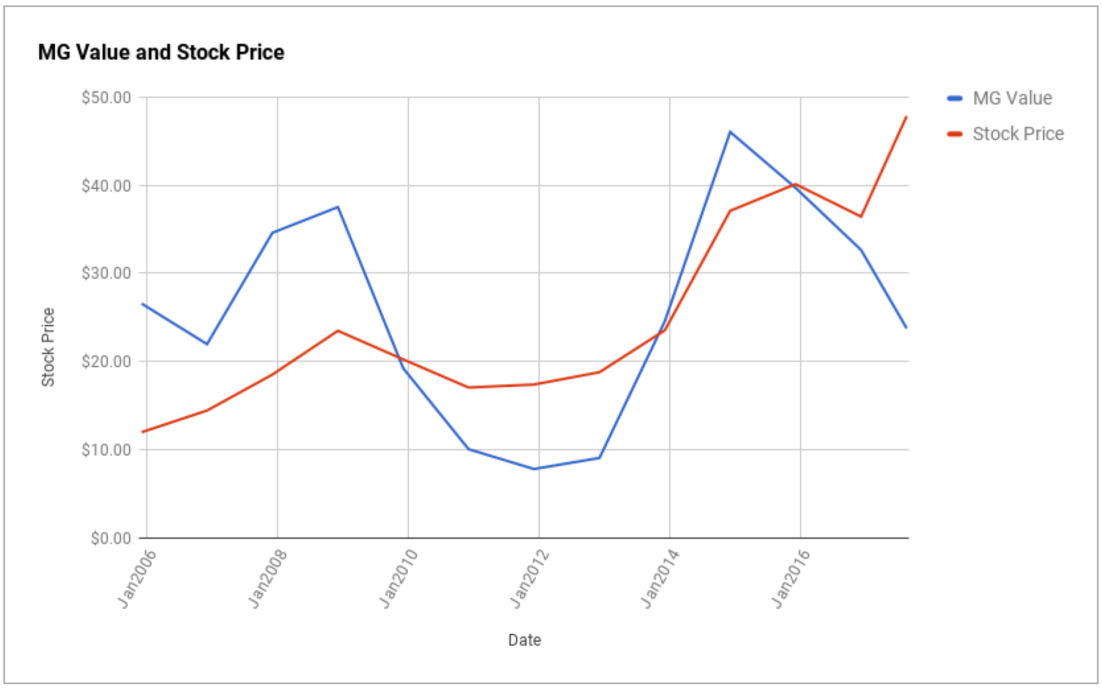
**Useful Links:**

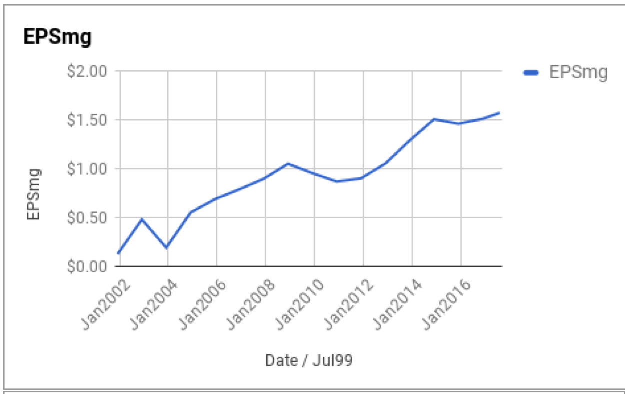
| | |
|---|---|
| ModernGraham tagged articles | Morningstar |
| Google Finance | MSN Money |
| Yahoo Finance | Seeking Alpha |
| GuruFocus | SEC Filings |

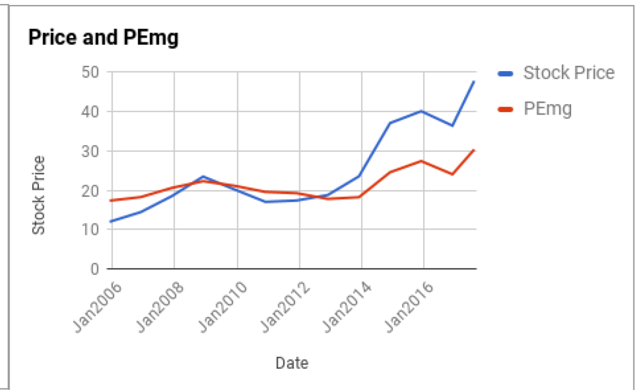
| EPS History | |
|---|---|
| Next Fiscal Year Estimate | $1.71 |
| Dec2016 | $1.57 |
| Dec2015 | $1.18 |
| Dec2014 | $1.77 |
| Dec2013 | $1.72 |
| Dec2012 | $1.40 |
| Dec2011 | $1.01 |
| Dec2010 | $0.69 |
| Dec2009 | $0.77 |
| Dec2008 | $1.18 |
| Dec2007 | $1.06 |
| Dec2006 | $0.87 |
| Dec2005 | $0.86 |
| Dec2004 | $1.32 |
| Dec2003 | -$0.52 |
| Dec2002 | $1.15 |
| Dec2001 | $0.03 |
| Dec2000 | $0.26 |
| Dec1999 | $0.27 |
| Dec1998 | $0.03 |
| Dec1997 | -$0.17 |

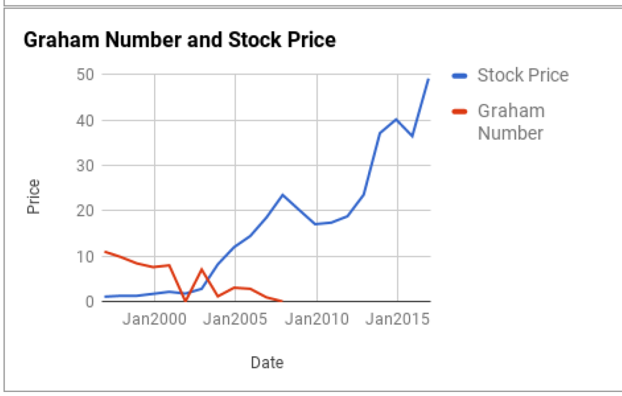
| EPSmg History | |
|---|---|
| Next Fiscal Year Estimate | $1.58 |
| Dec2016 | $1.51 |
| Dec2015 | $1.46 |
| Dec2014 | $1.51 |
| Dec2013 | $1.29 |
| Dec2012 | $1.06 |
| Dec2011 | $0.90 |
| Dec2010 | $0.87 |
| Dec2009 | $0.96 |
| Dec2008 | $1.05 |
| Dec2007 | $0.90 |
| Dec2006 | $0.79 |
| Dec2005 | $0.69 |
| Dec2004 | $0.55 |
| Dec2003 | $0.19 |
| Dec2002 | $0.48 |
| Dec2001 | $0.13 |

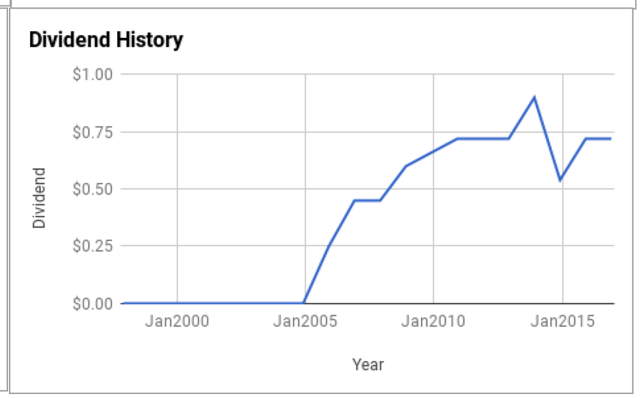
| **Balance Sheet Information** | **6/1/2017** |
|---|---|
| Total Current Assets | $126,127,000 |
| Total Current Liabilities | $65,897,000 |
| Long-Term Debt | $277,000,000 |
| Total Assets | $789,446,000 |
| Intangible Assets | $554,649,000 |
| Total Liabilities | $502,297,000 |
| Shares Outstanding (Diluted Average) | 21,890,000 |






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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|---|---|
| **Other ModernGraham posts about the company** | #N/A |
| **Other ModernGraham posts about related companies** | Stericycle Inc Valuation – February 2017 $SRCL<br>Republic Services Inc Valuation – January 2017 $RSG<br>Clean Harbors Inc Valuation – Initial Coverage $CLH<br>Waste Management Inc Valuation – August 2016 $WM<br>Stericycle Inc. Analysis – October 2015 Update $SRCL<br>Republic Services Inc. Analysis – September 2015 Update $RSG<br>Waste Management Inc. Analysis – 2015 Update $WM<br>Stericycle Inc. Annual Stock Valuation – 2014 $SRCL<br>Republic Services Inc. Annual Stock Valuation – September 2014 $RSG |