

ModernGraham Valuation

Company Name:

Company Ticker KWR
Date of Analysis

Quaker Chemical
Corp

3/7/2018



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	\$2,062,454,228	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.63	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	39.97%	Pass
5. Earnings Growth	PEmg < 20	41.06	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.05	Fail
7. Moderate Price to Assets			

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	2.63	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.24	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.78
MG Growth Estimate	-0.69%
MG Value	\$26.90
MG Value based on 3% Growth	\$54.77
MG Value based on 0% Growth	\$32.11
Market Implied Growth Rate	16.28%

MG Opinion

Current Price	\$155.08
% of Intrinsic Value	576.54%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$6.94
Graham Number	\$58.41
PEmg	41.06
Current Ratio	2.63
PB Ratio	5.05
Current Dividend	\$1.40
Dividend Yield	0.90%
Number of Consecutive Years of Dividend Growth	10

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$4.95		\$3.78
Dec2017	\$1.52	Dec2017	\$3.36
Dec2016	\$4.63	Dec2016	\$4.23
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	Balance Sheet Information	
Dec2000	\$1.93	12/1/2017	
Dec1999	\$1.74	Total Current Assets	\$406,586,000
Dec1998	\$1.20	Total Current Liabilities	\$154,743,000
		Long-Term Debt	\$61,068,000
		Total Assets	\$722,126,000
		Intangible Assets	\$156,537,000
		Total Liabilities	\$314,454,000
		Shares Outstanding (Diluted Average)	13,270,000





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.

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