

# ModernGraham Valuation

Company Name:

Imperial Oil Ltd (USA)

Company Ticker IMO

Date of Analysis

7/23/2018



## 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	\$34,581,180,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.45	Fail
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	-53.68%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	23.68	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.41	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	1.45	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.63	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		Fail
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.36
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$19.76
MG Value based on 0% Growth	\$11.58
Market Implied Growth Rate	7.59%

### MG Opinion

Current Price	\$32.27
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

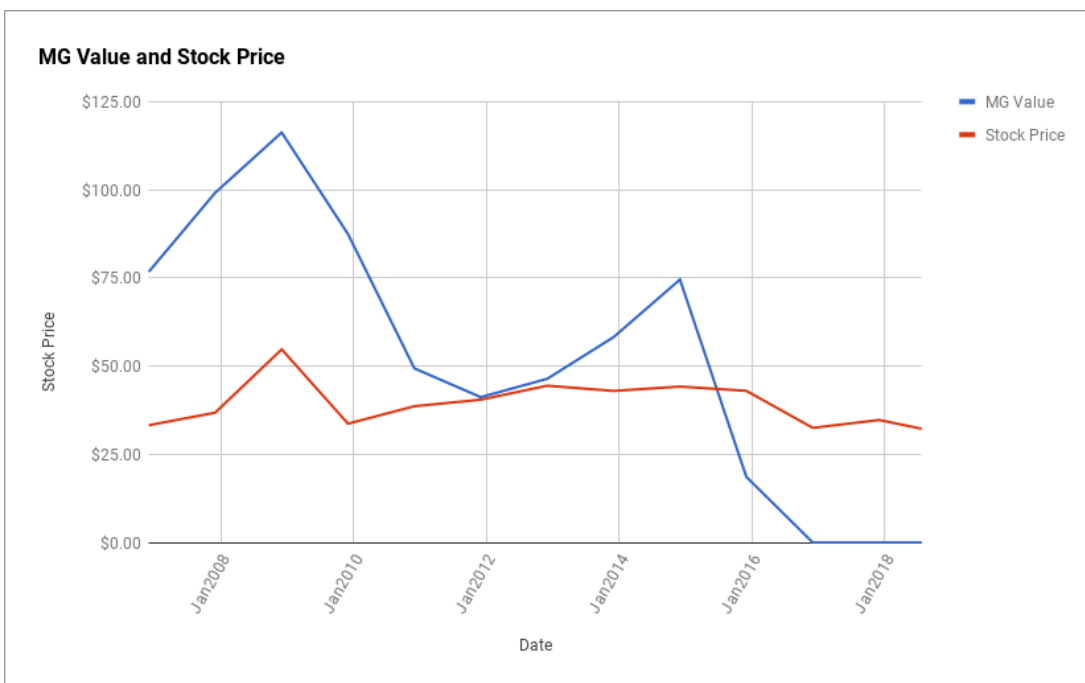
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$10.76
Graham Number	\$27.12
PEmg	23.68
Current Ratio	1.45
PB Ratio	1.41
Current Dividend	\$0.49
Dividend Yield	1.53%
Number of Consecutive Years of Dividend Growth	2

### 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	\$1.42	Next Fiscal Year Estimate	\$1.36
Dec2017	\$0.45	Dec2017	\$1.58
Dec2016	\$1.91	Dec2016	\$2.38
Dec2015	\$0.96	Dec2015	\$2.83
Dec2014	\$3.86	Dec2014	\$3.70
Dec2013	\$3.12	Dec2013	\$3.46
Dec2012	\$4.47	Dec2012	\$3.50
Dec2011	\$3.86	Dec2011	\$3.02
Dec2010	\$2.57	Dec2010	\$2.66
Dec2009	\$1.75	Dec2009	\$2.71
Dec2008	\$3.53	Dec2008	\$3.02
Dec2007	\$3.40	Dec2007	\$2.58
Dec2006	\$2.70	Dec2006	\$1.99
Dec2005	\$2.18	Dec2005	\$1.51
Dec2004	\$1.57	Dec2004	\$1.11
Dec2003	\$1.17	Dec2003	\$0.79
Dec2002	\$0.68	Dec2002	\$0.54
Dec2001	\$0.66	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$0.74	Total Current Assets	\$4,196,242,000
Dec1999	-\$0.18	Total Current Liabilities	\$2,888,734,000
Dec1998	\$0.27	Long-Term Debt	\$3,438,491,000
		Total Assets	\$32,150,313,000
		Intangible Assets	\$143,818,000
		Total Liabilities	\$13,141,576,000
		Shares Outstanding (Diluted Average)	831,500,000





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 [Imperial Oil Limited Valuation – Initial Coverage SIMO](#)

Other ModernGraham posts about related companies [CES Energy Solutions Corp – July 2018 \\$TSE-CEU](#)  
[WPX Energy Inc Valuation – July 2018 \\$WPX](#)  
[Magellan Midstream Partners LP Valuation – July 2018 \\$MMP](#)  
[Ensco PLC Valuation – July 2018 \\$ESV](#)  
[Enterprise Products Partners LP Valuation – July 2018 \\$EPD](#)  
[Noble Corp PLC Valuation – June 2018 \\$NE](#)  
[Rowan Companies PLC Valuation – June 2018 \\$RDC](#)  
[Diamond Offshore Drilling Inc Valuation – June 2018 \\$DO](#)  
[Transocean Ltd Valuation – June 2018 \\$RIG](#)  
[Nabors Industries Ltd Valuation – June 2018 \\$NBR](#)