

ModernGraham Valuation

Company Name:

Shawcor Ltd (USA)

Company Ticker TSE:SCL

Date of Analysis

7/25/2018



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	\$1,858,276,000	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.21	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-136.36%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	197.23	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.69	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	2.21	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.64	Pass
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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.13
MG Growth Estimate	-4.25%
MG Value	\$1.00
MG Value based on 3% Growth	\$1.89
MG Value based on 0% Growth	\$1.11
Market Implied Growth Rate	94.37%

MG Opinion

Current Price	\$25.64
% of Intrinsic Value	2562.03%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.00
Graham Number	\$10.66
PEmg	197.23
Current Ratio	2.21
PB Ratio	1.69
Current Dividend	\$0.60
Dividend Yield	2.34%
Number of Consecutive Years of Dividend Growth	2

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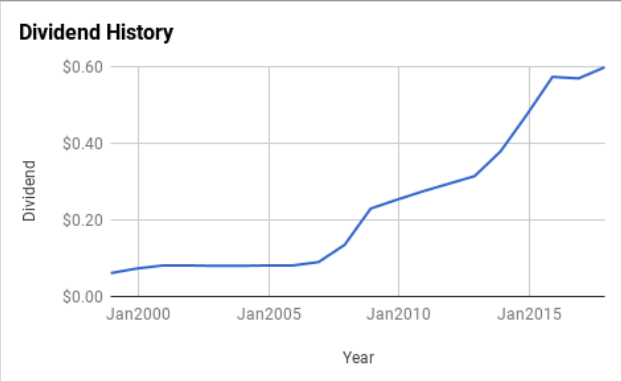
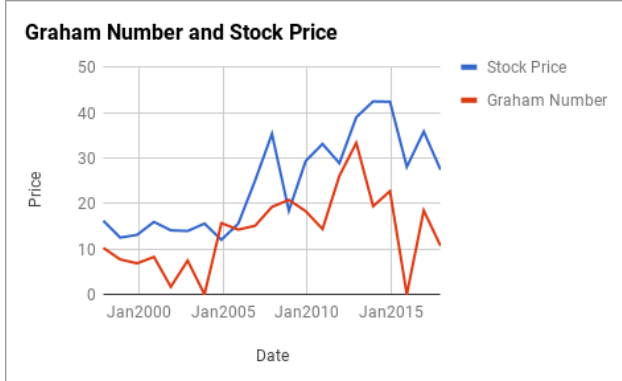
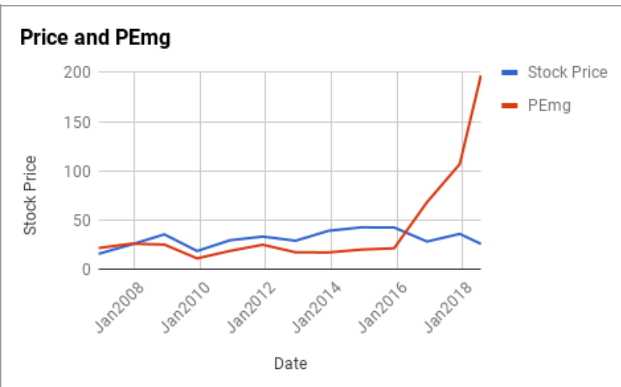
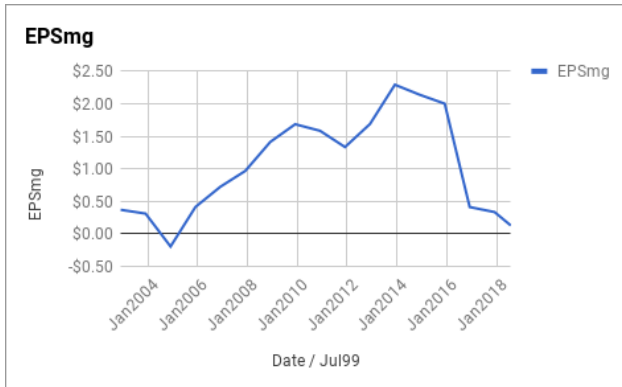
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.34	Next Fiscal Year Estimate	\$0.13
Dec2017	\$1.02	Dec2017	\$0.34
Dec2016	-\$2.80	Dec2016	\$0.41
Dec2015	\$1.52	Dec2015	\$2.00
Dec2014	\$1.53	Dec2014	\$2.14
Dec2013	\$3.51	Dec2013	\$2.29
Dec2012	\$2.50	Dec2012	\$1.69
Dec2011	\$0.78	Dec2011	\$1.33
Dec2010	\$1.33	Dec2010	\$1.58
Dec2009	\$1.85	Dec2009	\$1.69
Dec2008	\$2.03	Dec2008	\$1.41
Dec2007	\$1.19	Dec2007	\$0.97
Dec2006	\$1.25	Dec2006	\$0.72
Dec2005	\$1.85	Dec2005	\$0.41
Dec2004	-\$1.16	Dec2004	-\$0.19
Dec2003	\$0.34	Dec2003	\$0.31
Dec2002	\$0.02	Dec2002	\$0.37
Dec2001	\$0.54	Balance Sheet Information 3/1/2018	
Dec2000	\$0.39	Total Current Assets	\$725,918,000
Dec1999	\$0.50	Total Current Liabilities	\$328,012,000
Dec1998	\$1.13	Long-Term Debt	\$253,048,000
		Total Assets	\$1,718,928,000
		Intangible Assets	\$503,025,000
		Total Liabilities	\$655,641,000
		Shares Outstanding (Diluted Average)	70,223,000





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 [Shawcor Ltd Valuation – Initial Coverage \\$TSE:SCL](#)

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- Other ModernGraham posts about related companies
- [Imperial Oil Ltd Valuation – July 2018 \\$IMO](#)
 - [CES Energy Solutions Corp – July 2018 \\$TSE-CEU](#)
 - [WPX Energy Inc Valuation – July 2018 \\$WPX](#)
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