

ModernGraham Valuation

Shaw
Communications Inc
(USA) Class B



Company Name:

Company Ticker TSE:SJR.B

Date of Analysis

7/30/2018

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	\$10,297,950,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.65	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	55.71%	Pass
6. Moderate PEmg Ratio	PEmg < 20	15.53	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.32	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	0.65	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-8.65	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.73
MG Growth Estimate	1.34%
MG Value	\$19.32
MG Value based on 3% Growth	\$25.08
MG Value based on 0% Growth	\$14.70
Market Implied Growth Rate	3.52%

MG Opinion

Current Price	\$26.86
% of Intrinsic Value	139.05%
Opinion	Overvalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$14.65
Graham Number	\$18.51
PEmg	15.53
Current Ratio	0.65
PB Ratio	2.32
Current Dividend	\$1.19
Dividend Yield	4.41%
Number of Consecutive Years of Dividend Growth	14

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[Google Finance](#) [MSN Money](#)
[Yahoo Finance](#) [Seeking Alpha](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.23	Next Fiscal Year Estimate	\$1.73
Aug2017	\$1.71	Aug2017	\$1.95
Aug2016	\$2.51	Aug2016	\$2.01
Aug2015	\$1.79	Aug2015	\$1.70
Aug2014	\$1.84	Aug2014	\$1.59
Aug2013	\$1.63	Aug2013	\$1.42
Aug2012	\$1.61	Aug2012	\$1.32
Aug2011	\$1.02	Aug2011	\$1.18
Aug2010	\$1.23	Aug2010	\$1.24
Aug2009	\$1.25	Aug2009	\$1.17
Aug2008	\$1.55	Aug2008	\$1.00
Aug2007	\$0.89	Aug2007	\$0.62
Aug2006	\$1.05	Aug2006	\$0.43
Aug2005	\$0.34	Aug2005	\$0.09
Aug2004	-\$0.08	Aug2004	-\$0.04
Aug2003	-\$0.19	Aug2003	-\$0.03
Aug2002	\$0.46	Aug2002	\$0.03
Aug2001	-\$0.31	Balance Sheet Information 5/1/2018	
Aug2000	-\$0.18	Total Current Assets	\$918,000,000
Aug1999	-\$0.04	Total Current Liabilities	\$1,416,000,000
Aug1998	-\$0.01	Long-Term Debt	\$4,310,000,000
		Total Assets	\$14,133,000,000
		Intangible Assets	\$7,730,000,000
		Total Liabilities	\$8,304,000,000
		Shares Outstanding (Diluted Average)	504,000,000





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

- [10 Undervalued Companies for the Defensive Dividend Stock Investor – February 2017](#)
- [15 Best Stocks for Value Investors This Week – 1/14/17](#)
- [Shaw Communications Inc Valuation – Initial Coverage \\$TSE-SJR.B](#)

Other ModernGraham posts about related companies

- [Iridium Communications Inc Valuation – July 2018 \\$IRDM](#)
- [CenturyLink Inc Valuation – June 2018 \\$CTL](#)
- [American Tower Corp Valuation – June 2018 \\$AMT](#)
- [Charter Communications Inc Valuation – May 2018 \\$CHTR](#)
- [DISH Network Corp Valuation – Initial Coverage \\$DISH](#)
- [AT&T Inc Valuation – April 2018 \\$T](#)
- [Comcast Corporation Valuation – March 2018 \\$CMCSA](#)
- [Spok Holdings Inc Valuation – March 2018 \\$SPOK](#)
- [SBA Communications Corp Valuation – Initial Coverage \\$SBAC](#)
- [Harris Corporation Valuation – February 2018 \\$HRS](#)