

ModernGraham Valuation

Canadian Natural
Resource Ltd (USA)



Company Name:

Company Ticker TSE:CNQ

Date of Analysis

8/4/2018

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	\$57,962,720,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.01	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-1.11%	Fail
6. Moderate PEmg Ratio	PEmg < 20	25.31	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.78	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	1.01	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	367.83	Fail
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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.83
MG Growth Estimate	-4.09%
MG Value	\$0.57
MG Value based on 3% Growth	\$26.51
MG Value based on 0% Growth	\$15.54
Market Implied Growth Rate	8.41%

MG Opinion

Current Price	\$46.27
% of Intrinsic Value	8065.13%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

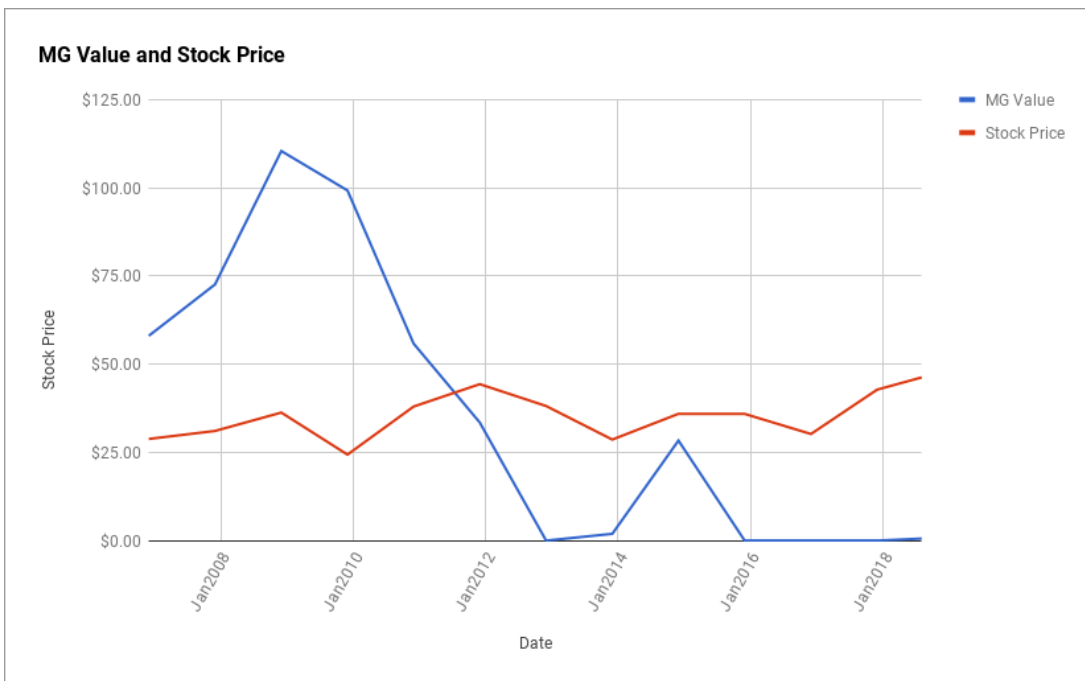
Net Current Asset Value (NCAV)	-\$29.89
Graham Number	\$45.09
PEmg	25.31
Current Ratio	1.01
PB Ratio	1.78
Current Dividend	\$1.10
Dividend Yield	2.38%
Number of Consecutive Years of Dividend Growth	18

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.49	Next Fiscal Year Estimate	\$1.83
Dec2017	\$2.03	Dec2017	\$1.13
Dec2016	-\$0.19	Dec2016	\$0.89
Dec2015	-\$0.58	Dec2015	\$1.57
Dec2014	\$3.58	Dec2014	\$2.51
Dec2013	\$2.08	Dec2013	\$1.93
Dec2012	\$1.72	Dec2012	\$2.02
Dec2011	\$2.40	Dec2011	\$2.28
Dec2010	\$1.53	Dec2010	\$2.30
Dec2009	\$1.46	Dec2009	\$2.58
Dec2008	\$4.61	Dec2008	\$2.87
Dec2007	\$2.42	Dec2007	\$1.89
Dec2006	\$2.35	Dec2006	\$1.51
Dec2005	\$0.98	Dec2005	\$1.04
Dec2004	\$1.30	Dec2004	\$1.02
Dec2003	\$1.27	Dec2003	\$0.82
Dec2002	\$0.54	Dec2002	\$0.55
Dec2001	\$0.65	Balance Sheet Information 3/1/2018	
Dec2000	\$0.81	Total Current Assets	\$4,386,000,000
Dec1999	\$0.24	Total Current Liabilities	\$4,328,000,000
Dec1998	\$0.07	Long-Term Debt	\$21,334,000,000
		Total Assets	\$73,214,000,000
		Intangible Assets	\$0
		Total Liabilities	\$41,188,000,000
		Shares Outstanding (Diluted Average)	1,231,336,000





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 [Canadian National Resources Ltd Valuation – Initial Coverage \\$TSE:CNQ](#)

Other ModernGraham posts about related companies [SM Energy Co Valuation – August 2018 \\$SM](#)
[Surge Energy Inc Valuation – July 2018 \\$TSE:SGY](#)
[CIRCOR International Inc Valuation – July 2018 \\$CIR](#)
[SEACOR Holdings Inc Valuation – July 2018 \\$CKH](#)
[Inter Pipeline Ltd Valuation – July 2018 \\$TSE:IPL](#)
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[Shawcor Ltd Valuation – July 2018 \\$TSE-SCL](#)
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