ModernGraham Valuation

Company Name:

Company Ticker TSE:SU Date of Analysis

8/29/2018

(USA)

Suncor Energy Inc.



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor 6.0 ut of the following 7 t

Defensive Investor; m	ust pass 6 out of the following 7 tests.		
	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$87,090,000,000 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.90 Fail
	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	
	5. Earnings Growth	beginning and end	0.33% Fail
	6. Moderate PEmg Ratio	PEmg < 20	30.89 Fail
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.94 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	0.90 Fail
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-10.79 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	Fail
		Score	
Suitability			
	Defensive	No	
	Enterprising	No	
Stage 2: Deter	mination of Intrinsic Value		
	EPSmg	\$1.75	
	MG Growth Estimate	-2.96%	
	MG Value	\$4.51	
	MG Value based on 3% Growth	\$25.34	
	MG Value based on 0% Growth	\$14.85	
	Market Implied Growth Rate	11.19%	
MG Opinion			
	Current Price	\$53.97	
	% of Intrinsic Value	1195.92%	
	Opinion MG Grade	Overvalued D+	

Stage 3: Information for Further Research

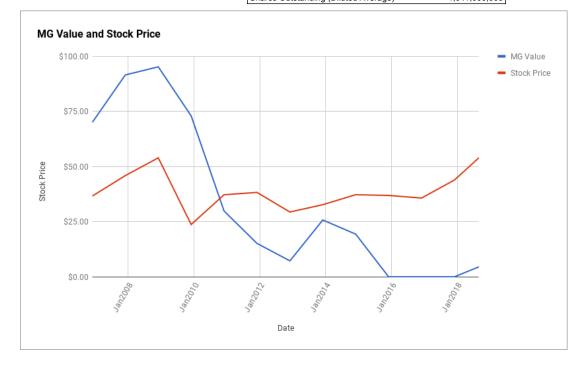
Net Current Asset Value (NCAV)	-\$22.06
Graham Number	\$44.06
PEmg	30.89
Current Ratio	0.90
PB Ratio	1.94
Current Dividend	\$1.28
Dividend Yield	2.37%
Number of Consecutive Years of Dividend	
Growth	8

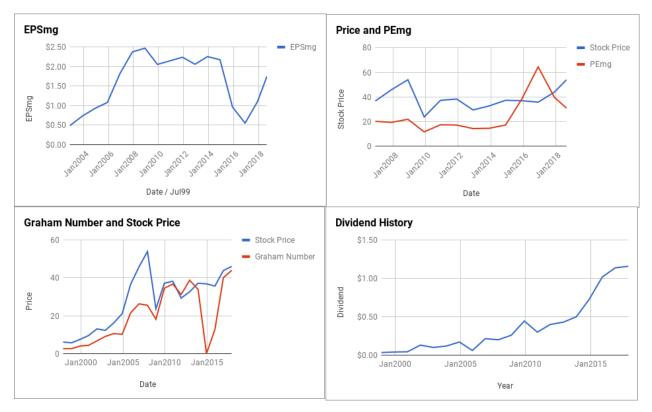
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Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$3.12	Next Fiscal Year Estimate	\$1.75
Dec2017	\$2.68	Dec2017	\$1.11
Dec2016	\$0.27	Dec2016	\$0.55
Dec2015	-\$1.38	Dec2015	\$0.96
Dec2014	\$1.84	Dec2014	\$2.18
Dec2013	\$2.60	Dec2013	\$2.26
Dec2012	\$1.76	Dec2012	\$2.06
Dec2011	\$2.67	Dec2011	\$2.24
Dec2010	\$2.43	Dec2010	\$2.15
Dec2009	\$0.95	Dec2009	\$2.06
Dec2008	\$2.26	Dec2008	\$2.4
Dec2007	\$3.17	Dec2007	\$2.38
Dec2006	\$3.16	Dec2006	\$1.82
Dec2005	\$1.24	Dec2005	\$1.08
Dec2004	\$1.17	Dec2004	\$0.93
Dec2003	\$1.13	Dec2003	\$0.73
Dec2002	\$0.81	Dec2002	\$0.49
Dec2001	\$0.39	Balance Sheet Information	6/1/2018
Dec2000	\$0.39	Total Current Assets	\$10,697,000,000
Dec1999	\$0.18	Total Current Liabilities	\$11,951,000,000
Dec1998	\$0.20	Long-Term Debt	\$13,535,000,000
		Total Assets	\$92,434,000,000
		Intangible Assets	\$3,059,000,000
		Total Liabilities	\$46,891,000,000
		Shares Outstanding (Diluted Average)	1,641,000,000





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
 5 Overvalued Canadian Stocks for Intelligent Investors – March 2017

 ModernGraham posts about the company
 Suncor Energy Inc Valuation – Initial Coverage \$TSE:SU

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