

ModernGraham Valuation

Company Name:

Celanese Corporation

Company Ticker CE

Date of Analysis

2/1/2019



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	\$13,125,672,172	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.62	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	234.46%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	12.58	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.84	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	1.62	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.71	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	\$7.80
MG Growth Estimate	15.00%
MG Value	\$300.35
MG Value based on 3% Growth	\$113.12
MG Value based on 0% Growth	\$66.31
Market Implied Growth Rate	2.04%

MG Opinion

Current Price	\$98.13
% of Intrinsic Value	32.67%
Opinion	Undervalued
MG Grade	B+

Stage 3: Information for Further Research

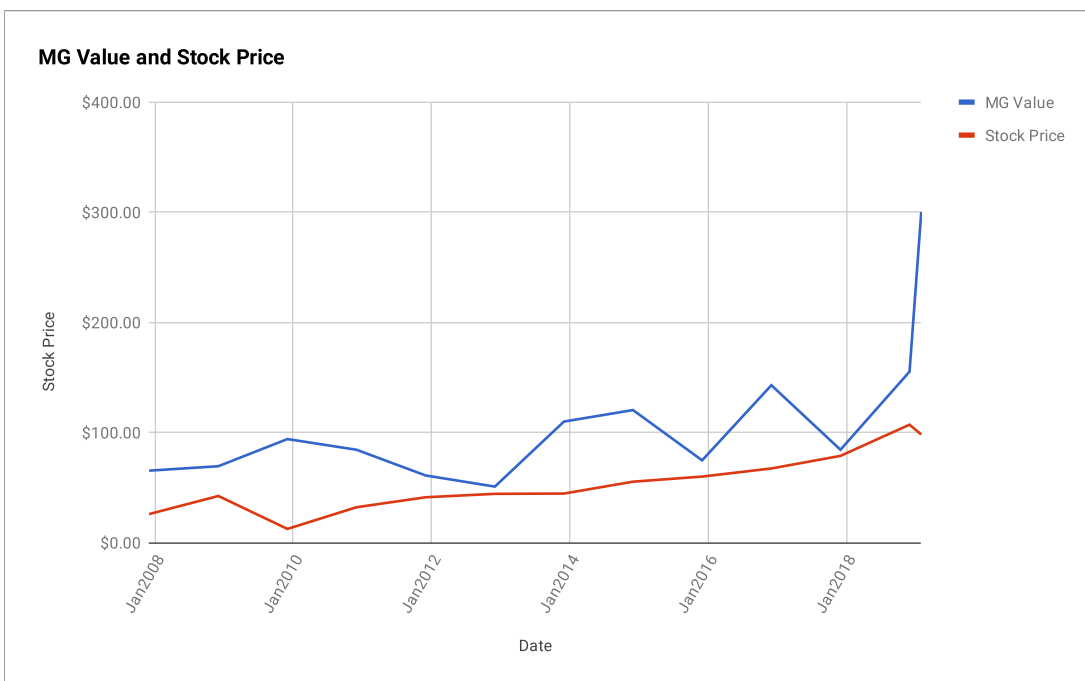
Net Current Asset Value (NCAV)	-\$23.16
Graham Number	\$69.96
PEmg	12.58
Current Ratio	1.62
PB Ratio	3.84
Current Dividend	\$2.08
Dividend Yield	2.12%
Number of Consecutive Years of Dividend Growth	9

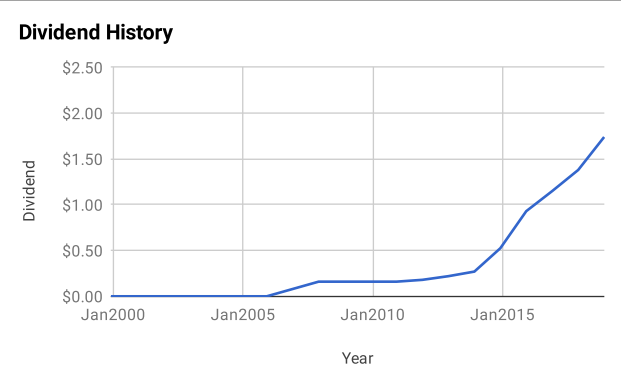
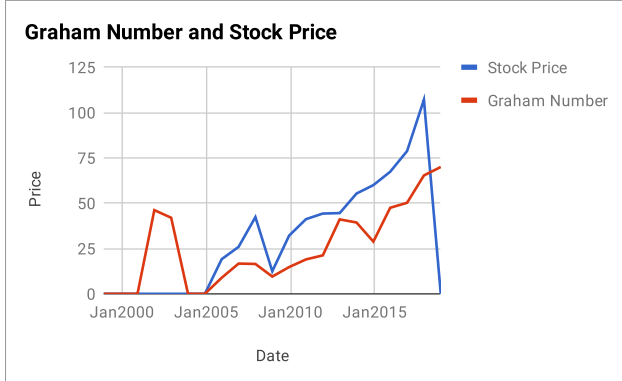
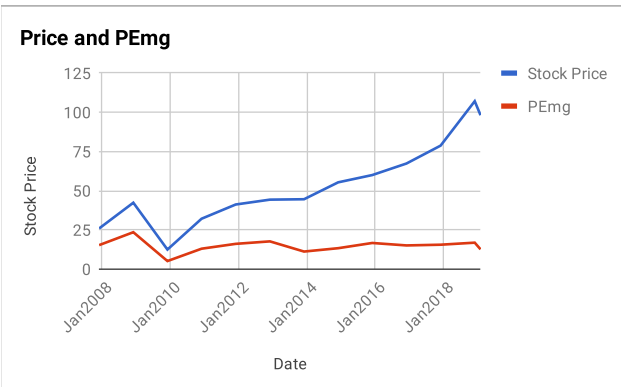
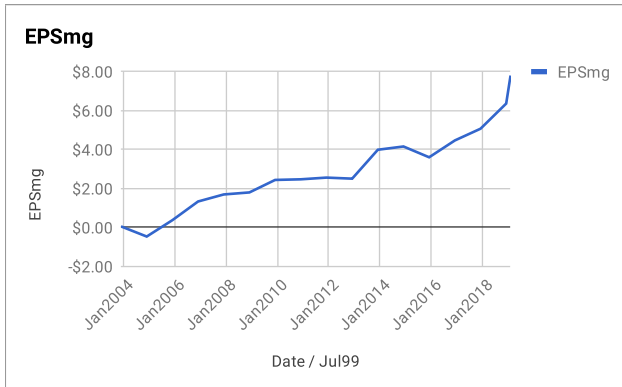
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$9.75	Next Fiscal Year Estimate	\$7.80
Dec2018	\$8.91	Dec2018	\$6.36
Dec2017	\$6.09	Dec2017	\$5.07
Dec2016	\$6.18	Dec2016	\$4.47
Dec2015	\$2.00	Dec2015	\$3.61
Dec2014	\$4.00	Dec2014	\$4.16
Dec2013	\$6.91	Dec2013	\$3.99
Dec2012	\$2.33	Dec2012	\$2.51
Dec2011	\$2.69	Dec2011	\$2.56
Dec2010	\$2.38	Dec2010	\$2.47
Dec2009	\$3.17	Dec2009	\$2.44
Dec2008	\$1.73	Dec2008	\$1.80
Dec2007	\$2.49	Dec2007	\$1.70
Dec2006	\$2.36	Dec2006	\$1.34
Dec2005	\$1.67	Dec2005	\$0.38
Dec2004	-\$2.01	Dec2004	-\$0.46
Dec2003	\$2.57	Dec2003	\$0.06
Dec2002	\$2.44	Balance Sheet Information	12/1/2018
Dec2001	-\$7.25	Total Current Assets	\$2,874,000,000
Dec2000	\$0.00	Total Current Liabilities	\$1,779,000,000
Dec1999	\$0.00	Long-Term Debt	\$2,970,000,000
		Total Assets	\$9,313,000,000
		Intangible Assets	\$1,367,000,000
		Total Liabilities	\$5,934,000,000
		Shares Outstanding (Diluted Average)	132,100,000





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.

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