

ModernGraham Valuation

Company Name:

Company Ticker SWN
Date of Analysis

Southwestern Energy
Company

2/2/2016



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	\$3,268,067,997 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.73 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-180.58% Fail
5. Earnings Growth	PEmg < 20	-6.14 Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.70 Fail
7. Moderate Price to Assets		

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	0.73 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-22.00 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Fail
4. Dividend Record	Currently Pays Dividend	Fail
5. Earnings Growth	EPSmg greater than 5 years ago	Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$1.33
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$19.29
MG Value based on 0% Growth	-\$11.31
Market Implied Growth Rate	-7.32%

MG Opinion

Current Price	\$8.17
% of Intrinsic Value	N/A
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$14.96
Graham Number	#NUM!
PEmg	-6.14
Current Ratio	0.73
PB Ratio	0.70
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$6.84	Next Fiscal Year Estimate	-\$1.33
Dec2014	\$2.62	Dec2014	\$1.36
Dec2013	\$2.00	Dec2013	\$0.71
Dec2012	-\$2.03	Dec2012	\$0.25
Dec2011	\$1.82	Dec2011	\$1.31
Dec2010	\$1.73	Dec2010	\$1.00
Dec2009	-\$0.10	Dec2009	\$0.63
Dec2008	\$1.64	Dec2008	\$0.90
Dec2007	\$0.64	Dec2007	\$0.49
Dec2006	\$0.48	Dec2006	\$0.38
Dec2005	\$0.48	Dec2005	\$0.31
Dec2004	\$0.35	Dec2004	\$0.19
Dec2003	\$0.18	Dec2003	\$0.08
Dec2002	\$0.07	Dec2002	\$0.02
Dec2001	\$0.17	Dec2001	-\$0.01
Dec2000	-\$0.23	Dec2000	-\$0.08
Dec1999	\$0.05	Dec1999	\$0.01
Dec1998	-\$0.15	Balance Sheet Information Sep2015	
Dec1997	\$0.10	Total Current Assets	\$570,000,000
Dec1996	\$0.10	Total Current Liabilities	\$782,000,000
Dec1995	\$0.00	Long-Term Debt	\$4,663,000,000
		Total Assets	\$10,725,000,000
		Intangible Assets	\$0
		Total Liabilities	\$6,288,000,000
		Shares Outstanding (Diluted Average)	382,098,000





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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