

# ModernGraham Valuation

Company Name:

SM Energy Co

Company Ticker SM

Date of Analysis

1/27/2017



## 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	\$3,407,613,563	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.79	Pass
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	-304.40%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-13.92	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.45	Fail

*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	3.79	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.15	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$2.45
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$35.46
MG Value based on 0% Growth	-\$20.79
Market Implied Growth Rate	-11.21%

### MG Opinion

Current Price	\$34.03
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

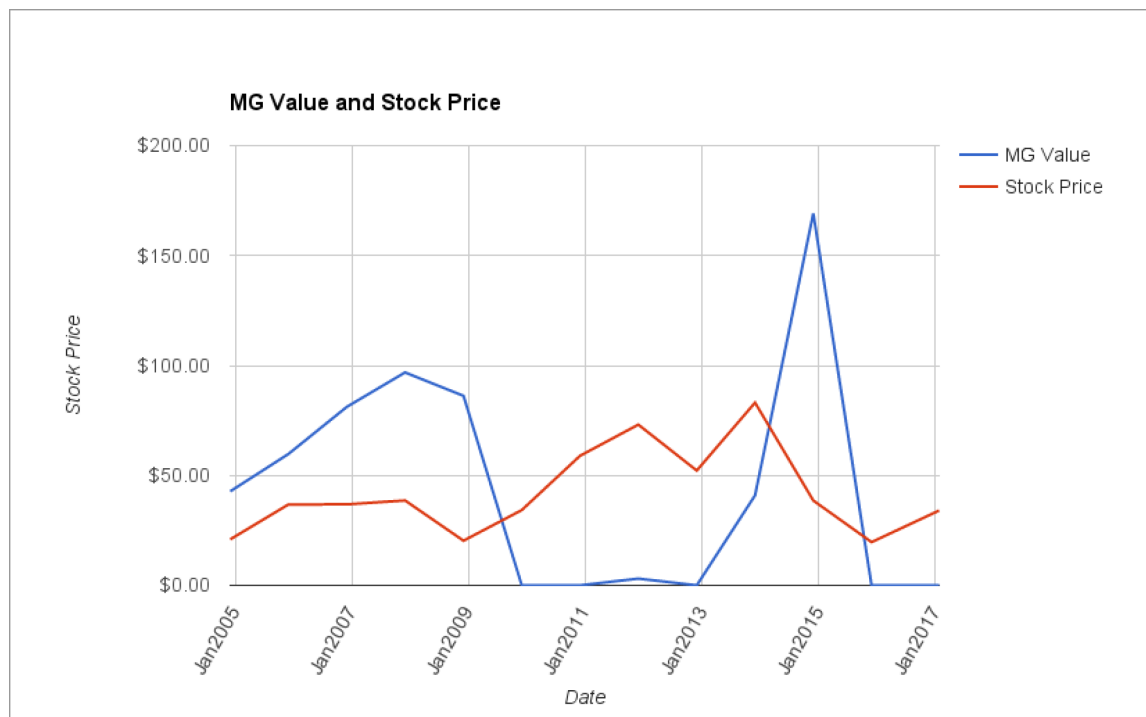
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$34.29
Graham Number	\$0.00
PEmg	-13.92
Current Ratio	3.79
PB Ratio	1.45
Current Dividend	\$0.10
Dividend Yield	0.29%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	-8.76	Next Fiscal Year Estimate	-2.45
Dec2015	-6.61	Dec2015	\$1.01
Dec2014	\$9.79	Dec2014	\$4.39
Dec2013	\$2.51	Dec2013	\$1.55
Dec2012	-\$0.83	Dec2012	\$1.06
Dec2011	\$3.19	Dec2011	\$1.94
Dec2010	\$3.04	Dec2010	\$1.45
Dec2009	-\$1.59	Dec2009	\$0.97
Dec2008	\$1.38	Dec2008	\$2.24
Dec2007	\$2.94	Dec2007	\$2.52
Dec2006	\$2.94	Dec2006	\$2.11
Dec2005	\$2.33	Dec2005	\$1.55
Dec2004	\$1.44	Dec2004	\$1.11
Dec2003	\$1.40	Dec2003	\$0.87
Dec2002	\$0.49	Dec2002	\$0.53
Dec2001	\$0.71	Dec2001	\$0.51
Dec2000	\$0.99	Dec2000	\$0.38
Dec1999	\$0.00	<b>Balance Sheet Information</b>	<b>9/1/2016</b>
Dec1998	-\$0.20	Total Current Assets	\$1,246,609,000
Dec1997	\$0.54	Total Current Liabilities	\$328,630,000
Dec1996	\$0.30	Long-Term Debt	\$2,894,323,000
		Total Assets	\$5,785,433,000
		Intangible Assets	\$0
		Total Liabilities	\$3,937,518,000
		Shares Outstanding (Diluted Average)	78,468,000





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

#N/A

Other  
ModernGraham  
posts about related  
companies

[Kinder Morgan Inc Valuation – January 2017 \\$KMI](#)  
[South Jersey Industries Inc Valuation – Initial Coverage \\$SJI](#)  
[Secure Energy Services Inc Valuation – Initial Coverage \\$TSE:SES](#)  
[Surge Energy Inc Valuation – Initial Coverage \\$TSE:SGY](#)  
[Range Resources Corp Valuation – January 2017 \\$RRC](#)  
[Seacor Holdings Inc Valuation – Initial Coverage \\$CKH](#)  
[Inter Pipeline Ltd Valuation – Initial Coverage \\$TSE:IPL](#)  
[CIRCOR International Inc Valuation – Initial Coverage \\$CIR](#)  
[National-Oilwell Varco Valuation – December 2016 \\$NOV](#)  
[Canadian Energy Services & Technology Corp Valuation – Initial Coverage \\$CEU](#)