

ModernGraham Valuation

Company Name:

Cenovus Energy Inc

Company Ticker TSE:CVE

Date of Analysis

3/18/2017



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	\$13,722,994,610	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.55	Pass
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	-94.33%	Fail
5. Earnings Growth	PEmg < 20	65.48	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.19	Pass
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	2.55	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.53	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	\$0.25
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$3.65
MG Value based on 0% Growth	\$2.14
Market Implied Growth Rate	28.49%

MG Opinion

Current Price	\$16.50
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

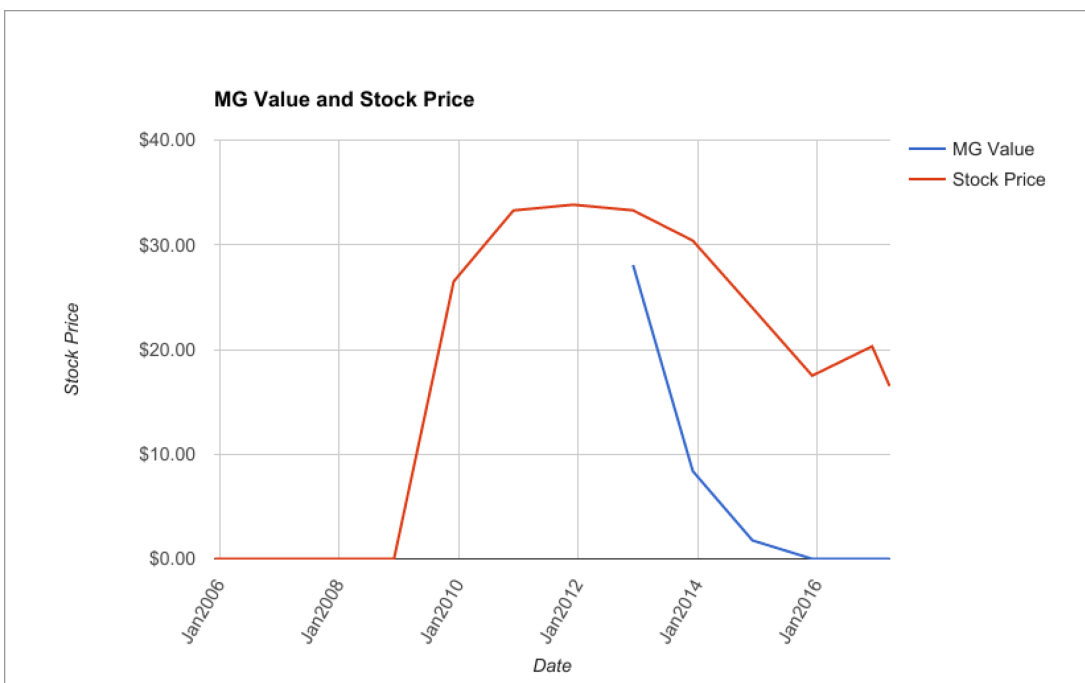
Stage 3: Information for Further Research

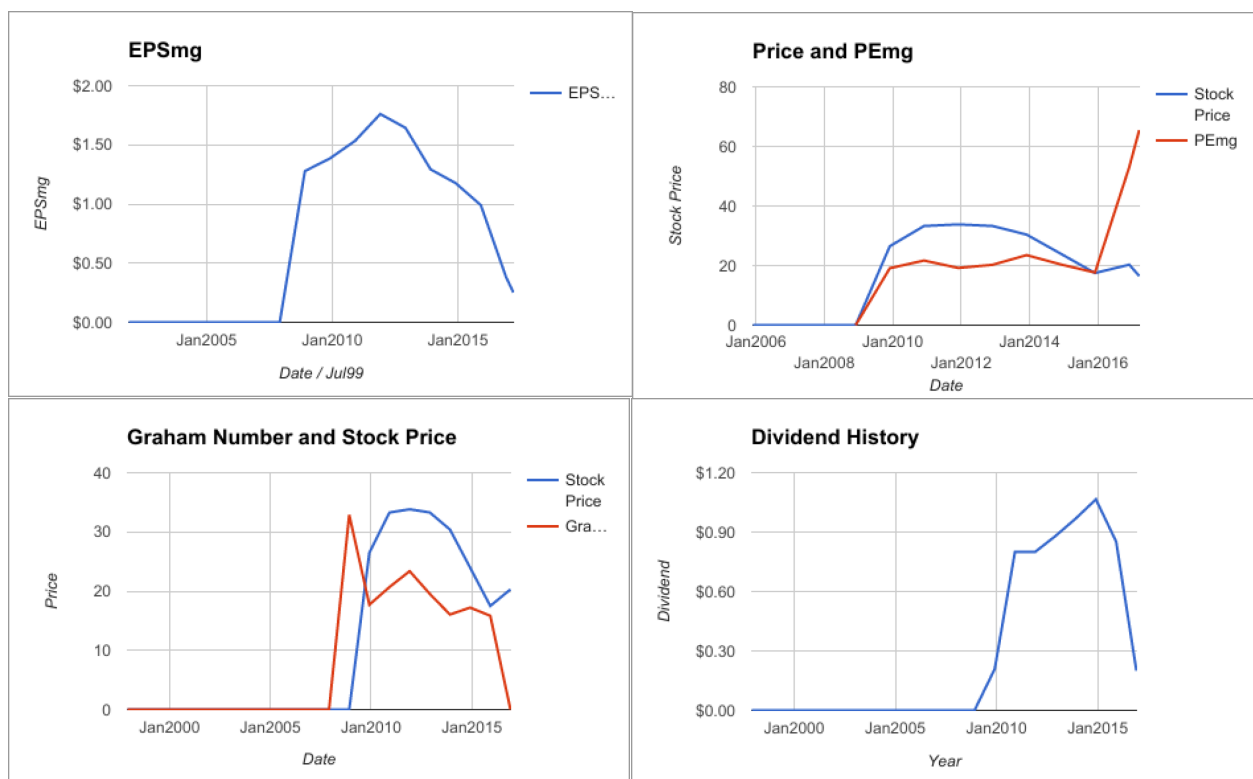
Net Current Asset Value (NCAV)	-\$8.22
Graham Number	\$9.02
PEmg	65.48
Current Ratio	2.55
PB Ratio	1.19
Current Dividend	\$0.20
Dividend Yield	1.21%
Number of Consecutive Years of Dividend Growth	0

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		Next Fiscal Year Estimate	
Dec2016	\$0.26	Dec2016	\$0.25
Dec2015	-\$0.65	Dec2015	\$0.38
Dec2014	\$0.75	Dec2014	\$0.99
Dec2013	\$0.98	Dec2013	\$1.18
Dec2012	\$0.87	Dec2012	\$1.29
Dec2011	\$1.31	Dec2011	\$1.64
Dec2010	\$1.95	Dec2010	\$1.76
Dec2009	\$1.43	Dec2009	\$1.53
Dec2008	\$1.09	Dec2008	\$1.39
Dec2007	\$3.83	Dec2007	\$1.28
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information 12/1/2016	
Dec1999	\$0.00	Total Current Assets	\$6,822,000,000
Dec1998	\$0.00	Total Current Liabilities	\$2,671,000,000
Dec1997	\$0.00	Long-Term Debt	\$6,332,000,000
		Total Assets	\$25,258,000,000
		Intangible Assets	\$242,000,000
		Total Liabilities	\$13,668,000,000
		Shares Outstanding (Diluted Average)	833,300,000





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

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[Concho Resources Inc Valuation – Initial Coverage \\$CXO](#)
[Murphy Oil Corporation Valuation – March 2017 \\$MUR](#)
[Suncor Energy Inc Valuation – Initial Coverage \\$TSE:SU](#)
[CST Brands Inc Valuation – Initial Coverage \\$CST](#)
[Valero Energy Corp Valuation – February 2017 \\$VLO](#)
[Tidewater Inc Valuation – February 2017 \\$TDW](#)
[Occidental Petroleum Corp Valuation – February 2017 \\$OXY](#)
[Carrizo Oil & Gas Inc Valuation – Initial Coverage \\$CRZO](#)
[Denbury Resources Inc Valuation – February 2017 \\$DNR](#)