

ModernGraham Valuation

Company Name:

New Gold Inc. (USA)

Company Ticker NGD

Date of Analysis

7/21/2017



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	\$1,763,020,176	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.15	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	-85.95%	Fail
5. Earnings Growth	PEmg < 20	-19.34	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	3.15	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.36	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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.16
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$2.27
MG Value based on 0% Growth	-\$1.33
Market Implied Growth Rate	-13.92%

MG Opinion

Current Price	\$3.03
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.45
Graham Number	\$4.48
PEmg	-19.34
Current Ratio	3.15
PB Ratio	0.70
Current Dividend	\$0.00
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		Next Fiscal Year Estimate	
	\$0.22		-\$0.16
Dec2016	\$0.01	Dec2016	-\$0.32
Dec2015	-\$0.40	Dec2015	-\$0.38
Dec2014	-\$0.95	Dec2014	-\$0.28
Dec2013	-\$0.39	Dec2013	\$0.04
Dec2012	\$0.42	Dec2012	\$0.14
Dec2011	\$0.40	Dec2011	-\$0.19
Dec2010	\$0.12	Dec2010	-\$0.55
Dec2009	-\$0.64	Dec2009	-\$0.83
Dec2008	-\$0.69	Dec2008	-\$0.82
Dec2007	-\$2.02	Dec2007	-\$0.76
Dec2006	-\$0.13	Dec2006	-\$0.12
Dec2005	-\$0.17	Dec2005	-\$0.10
Dec2004	-\$0.08	Dec2004	-\$0.06
Dec2003	-\$0.10	Dec2003	-\$0.04
Dec2002	-\$0.01	Dec2002	-\$0.02
Dec2001	-\$0.01	Dec2001	-\$0.02
Dec2000	-\$0.03	Balance Sheet Information	
Dec1999	-\$0.02	3/1/2017	
Dec1998	-\$0.01	Total Current Assets	\$551,700,000
Dec1997	-\$0.01	Total Current Liabilities	\$174,900,000
		Long-Term Debt	\$890,000,000
		Total Assets	\$4,138,600,000
		Intangible Assets	\$0
		Total Liabilities	\$1,848,200,000
		Shares Outstanding (Diluted Average)	528,900,000





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

[Dominion Diamond Corp Valuation – Initial Coverage \\$TSE:DDC](#)
[Lundin Mining Co Valuation – Initial Coverage \\$TSE:LUN](#)
[Lucara Diamond Corp Valuation – Initial Coverage \\$TSE:LUC](#)
[Teck Resources Ltd Valuation – Initial Coverage \\$TSE:TECK.B](#)
[Consol Energy Inc Valuation – March 2017 \\$CNX](#)
[Stillwater Mining Company Valuation – Initial Coverage \\$SWC](#)
[Allegheny Technologies Inc Valuation – March 2017 \\$ATI](#)
[Silver Standard Resources Inc Valuation – Initial Coverage \\$TSE:SSO](#)
[Sandstorm Gold Ltd Valuation – Initial Coverage \\$TSE:SSL](#)
[Kirkland Lakes Gold Ltd Valuation – Initial Coverage \\$TSE:KL](#)