ModernGraham Valuation

Company Name:

Southwestern Energy Company



Company Ticker Date of Analysis

7/17/2017

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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$3,107,267,285 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.60 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	
5. Earnings Growth	beginning and end	-632.72% Fail
Moderate PEmg Ratio	PEmg < 20	-1.84 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.33 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

 Sufficiently Strong Financial Condition 	Current Ratio > 1.5	1.60 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	6.53 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
	Score	

\$6.03

Suitability

Defensive No Nο Enterprising

Stage 2: Determination of Intrinsic Value

EPSmg	-\$3.27
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$47.41
MG Value based on 0% Growth	-\$27.79
Market Implied Growth Rate	-5.17%

MG Opinion

Current Price % of Intrinsic Value N/A Opinion Overvalued

MG Grade

Stage 3: Information for Further Research

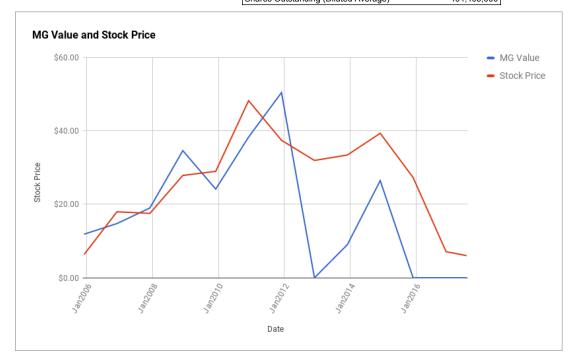
Net Current Asset Value (NCAV)	-\$8.35
Graham Number	\$6.92
PEmg	-1.84
Current Ratio	1.60
PB Ratio	2.33
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	
Growth	0

Morningstar

Useful Links: ModernGraham tagged articles

Google Finance MSN Money Yahoo Finance Seeking Alpha **GuruFocus SEC Filings**

EPS History		EPSmg History	
Next Fiscal Year		l.,	
Estimate		Next Fiscal Year Estimate	-\$3.27
Dec2016	-\$6.32	Dec2016	-\$4.72
Dec2015	-\$12.25	Dec2015	-\$3.13
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	Balance Sheet Information	3/1/2017
Dec1999	\$0.05	Total Current Assets	\$1,789,000,000
Dec1998	-\$0.15	Total Current Liabilities	\$1,121,000,000
Dec1997	\$0.10	Long-Term Debt	\$4,364,000,000
-		Total Assets	\$7,196,000,000
		Intangible Assets	\$0
		Total Liabilities	\$5,918,000,000
		Shares Outstanding (Diluted Average)	494,495,000





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 Southwestern Energy Company Valuation - February 2016 Update \$SWN

26 Companies in the Spotlight This Week - 12/13/14 posts about the company

Southwestern Energy Company Annual Valuation - 2014 \$SWN

Other ModernGraham posts about related companies

Apache Corp Valuation - April 2017 \$APA

Anadarko Petroleum Co Valuation – April 2017 \$APC

Cenovus Energy Inc Valuation - Initial Coverage \$TSE:CVE

Cabot Oil & Gas Corp Valuation - March 2017 \$COG

Chevron Corporation Valuation - March 2017 \$CVX

CARBO Ceramics Inc Valuation - Initial Coverage \$CRR

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