

ModernGraham Valuation

Company Name:

MAG Silver Corp

Company Ticker TSE:MAG

Date of Analysis

9/8/2017



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	\$1,195,208,819	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	270.30	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	115.88%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-36.34	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.30	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	270.30	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
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		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.42
MG Growth Estimate	-4.25%
MG Value	\$2.09
MG Value based on 3% Growth	-\$6.14
MG Value based on 0% Growth	-\$3.60
Market Implied Growth Rate	-22.42%

MG Opinion

Current Price	\$15.39
% of Intrinsic Value	737.25%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.09
Graham Number	\$0.00
PEmg	-36.34
Current Ratio	270.30
PB Ratio	5.30
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	
Dec2016	-\$0.09	Dec2016	-\$0.55
Dec2015	-\$0.95	Dec2015	-\$0.33
Dec2014	-\$0.33	Dec2014	-\$0.32
Dec2013	-\$0.29	Dec2013	-\$0.31
Dec2012	-\$0.52	Dec2012	-\$0.21
Dec2011	-\$0.22	Dec2011	-\$0.20
Dec2010	-\$0.15	Dec2010	-\$0.21
Dec2009	-\$0.24	Dec2009	-\$0.18
Dec2008	-\$0.27	Dec2008	-\$0.12
Dec2007	-\$0.12	Dec2007	-\$0.11
Dec2006	-\$0.19	Dec2006	-\$0.07
Dec2005	-\$0.10	Dec2005	-\$0.05
Dec2004	-\$0.06	Dec2004	-\$0.05
Dec2003	-\$0.03	Dec2003	-\$0.05
Dec2002	-\$0.06	Dec2002	-\$0.05
Dec2001	-\$0.04	Dec2001	-\$0.04
Dec2000	-\$0.09	Dec2001	-\$0.03
Dec1999	\$0.00	Balance Sheet Information 6/1/2017	
Dec1998	\$0.00	Total Current Assets	\$169,210,000
Dec1997	\$0.00	Total Current Liabilities	\$626,000
		Long-Term Debt	\$0
		Total Assets	\$234,965,000
		Intangible Assets	\$0
		Total Liabilities	\$626,000
		Shares Outstanding (Diluted Average)	80,759,000





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

- [Alcoa Corp Valuation – Initial Coverage \\$AA](#)
- [New Gold Inc \(USA\) Valuation – Initial Coverage \\$NGD](#)
- [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](#)