

ModernGraham Valuation

Seven Generations
Energy Ltd



Company Name:

Company Ticker TSE:VII

Date of Analysis

9/6/2017

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	\$6,773,177,276	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.69	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 beginning and end	-366.67%	Fail
5. Earnings Growth	PEmg < 20	119.94	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.64	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	1.69	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	6.84	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.16
MG Growth Estimate	15.00%
MG Value	\$6.13
MG Value based on 3% Growth	\$2.31
MG Value based on 0% Growth	\$1.35
Market Implied Growth Rate	55.72%

MG Opinion

Current Price	\$19.11
% of Intrinsic Value	311.53%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

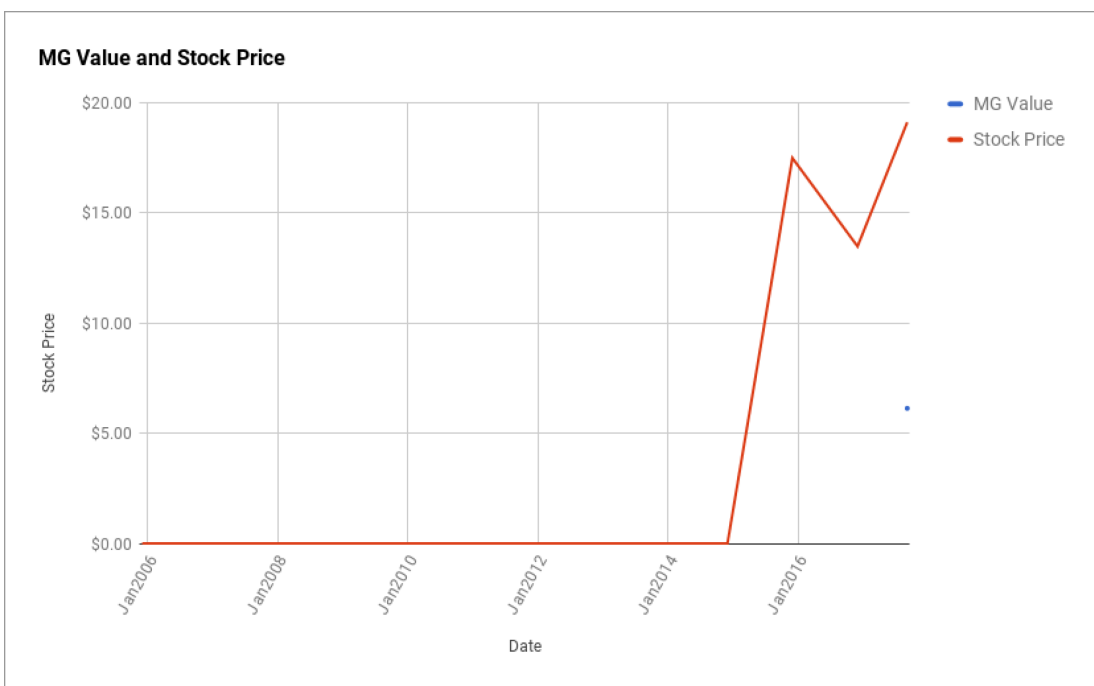
Net Current Asset Value (NCAV)	-\$5.97
Graham Number	\$13.66
PEmg	119.94
Current Ratio	1.69
PB Ratio	1.64
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$0.76		\$0.16
Dec2016	-\$0.09	Dec2016	-\$0.11
Dec2015	-\$0.75	Dec2015	-\$0.10
Dec2014	\$0.64	Dec2014	\$0.19
Dec2013	-\$0.08	Dec2013	-\$0.03
Dec2012	\$0.00	Dec2012	\$0.00
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
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	
Dec1999	\$0.00	6/1/2017	
Dec1998	\$0.00	Total Current Assets	\$733,200,000
Dec1997	\$0.00	Total Current Liabilities	\$434,500,000
		Long-Term Debt	\$2,041,900,000
		Total Assets	\$7,172,000,000
		Intangible Assets	\$0
		Total Liabilities	\$2,914,200,000
		Shares Outstanding (Diluted Average)	365,100,000





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.

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