

ModernGraham Valuation

Company Name:

Company Ticker TSE:INE
Date of Analysis

Innergex Renewable
Energy Inc

7/23/2018



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	\$1,791,711,025	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.81	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-167.57%	Fail
5. Earnings Growth	PEmg < 20	583.29	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.57	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	0.81	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-64.21	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		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.02
MG Growth Estimate	15.00%
MG Value	\$0.90
MG Value based on 3% Growth	\$0.34
MG Value based on 0% Growth	\$0.20
Market Implied Growth Rate	287.39%

MG Opinion

Current Price	\$13.61
% of Intrinsic Value	1515.03%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$34.25
Graham Number	\$0.00
PEmg	583.29
Current Ratio	0.81
PB Ratio	1.57
Current Dividend	\$0.66
Dividend Yield	4.85%
Number of Consecutive Years of Dividend Growth	4

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$0.22	Dec2017	\$0.02
Dec2016	\$0.28	Dec2016	-\$0.07
Dec2015	-\$0.37	Dec2015	-\$0.24
Dec2014	-\$0.63	Dec2014	-\$0.24
Dec2013	\$0.43	Dec2013	-\$0.08
Dec2012	\$0.03	Dec2012	-\$0.39
Dec2011	-\$0.59	Dec2011	-\$0.47
Dec2010	-\$1.13	Dec2010	-\$0.29
Dec2009	\$0.61	Dec2009	\$0.14
Dec2008	-\$1.52	Dec2008	-\$0.04
Dec2007	\$1.64	Dec2007	\$0.58
Dec2006	\$0.13	Dec2006	\$0.04
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	Balance Sheet Information	
Dec2000	\$0.00	3/1/2018	
Dec1999	\$0.00	Total Current Assets	\$240,073,000
Dec1998	\$0.00	Total Current Liabilities	\$294,926,000
		Long-Term Debt	\$3,522,017,000
		Total Assets	\$5,533,528,000
		Intangible Assets	\$958,711,000
		Total Liabilities	\$4,463,566,000
		Shares Outstanding (Diluted Average)	123,312,000





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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