

ModernGraham Valuation

Company Name:

Company Ticker TSE:SES
Date of Analysis

Secure Energy
Services Inc

7/29/2018



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	\$1,278,502,426	Fail
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	-237.93%	Fail
5. Earnings Growth	PEmg < 20	-35.73	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.49	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	1.69	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.17	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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.22
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$3.19
MG Value based on 0% Growth	-\$1.87
Market Implied Growth Rate	-22.11%

MG Opinion

Current Price	\$7.86
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$1.90
Graham Number	\$3.96
PEmg	-35.73
Current Ratio	1.69
PB Ratio	1.49
Current Dividend	\$0.25
Dividend Yield	3.19%
Number of Consecutive Years of Dividend Growth	1

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.13	Next Fiscal Year Estimate	-\$0.22
Dec2017	-\$0.21	Dec2017	-\$0.34
Dec2016	-\$0.32	Dec2016	-\$0.31
Dec2015	-\$1.20	Dec2015	-\$0.20
Dec2014	\$0.25	Dec2014	\$0.28
Dec2013	\$0.35	Dec2013	\$0.27
Dec2012	\$0.33	Dec2012	\$0.19
Dec2011	\$0.27	Dec2011	\$0.09
Dec2010	\$0.09	Dec2010	\$0.00
Dec2009	-\$0.07	Dec2009	-\$0.04
Dec2008	-\$0.05	Dec2008	-\$0.02
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	Balance Sheet Information 3/1/2018	
Dec2000	\$0.00	Total Current Assets	\$385,883,000
Dec1999	\$0.00	Total Current Liabilities	\$227,844,000
Dec1998	\$0.00	Long-Term Debt	\$342,673,000
		Total Assets	\$1,579,907,000
		Intangible Assets	\$58,849,000
		Total Liabilities	\$701,374,000
		Shares Outstanding (Diluted Average)	166,080,000





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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