

ModernGraham Valuation

Company Name:

Semafo Inc.

Company Ticker TSE:SMF

Date of Analysis

8/4/2018



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	\$1,213,739,215	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.67	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	-67.70%	Fail
5. Earnings Growth	PEmg < 20	37.30	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.21	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	2.67	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.66	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.10
MG Growth Estimate	15.00%
MG Value	\$3.77
MG Value based on 3% Growth	\$1.42
MG Value based on 0% Growth	\$0.83
Market Implied Growth Rate	14.40%

MG Opinion

Current Price	\$3.65
% of Intrinsic Value	96.87%
Opinion	Fairly Valued
MG Grade	C+

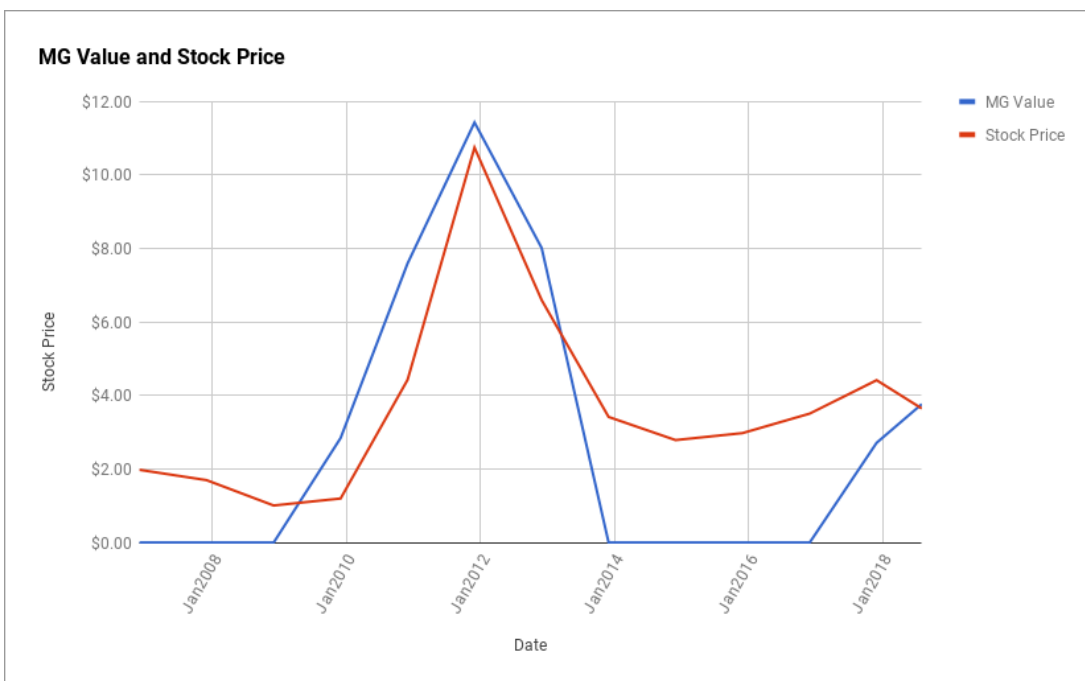
Stage 3: Information for Further Research

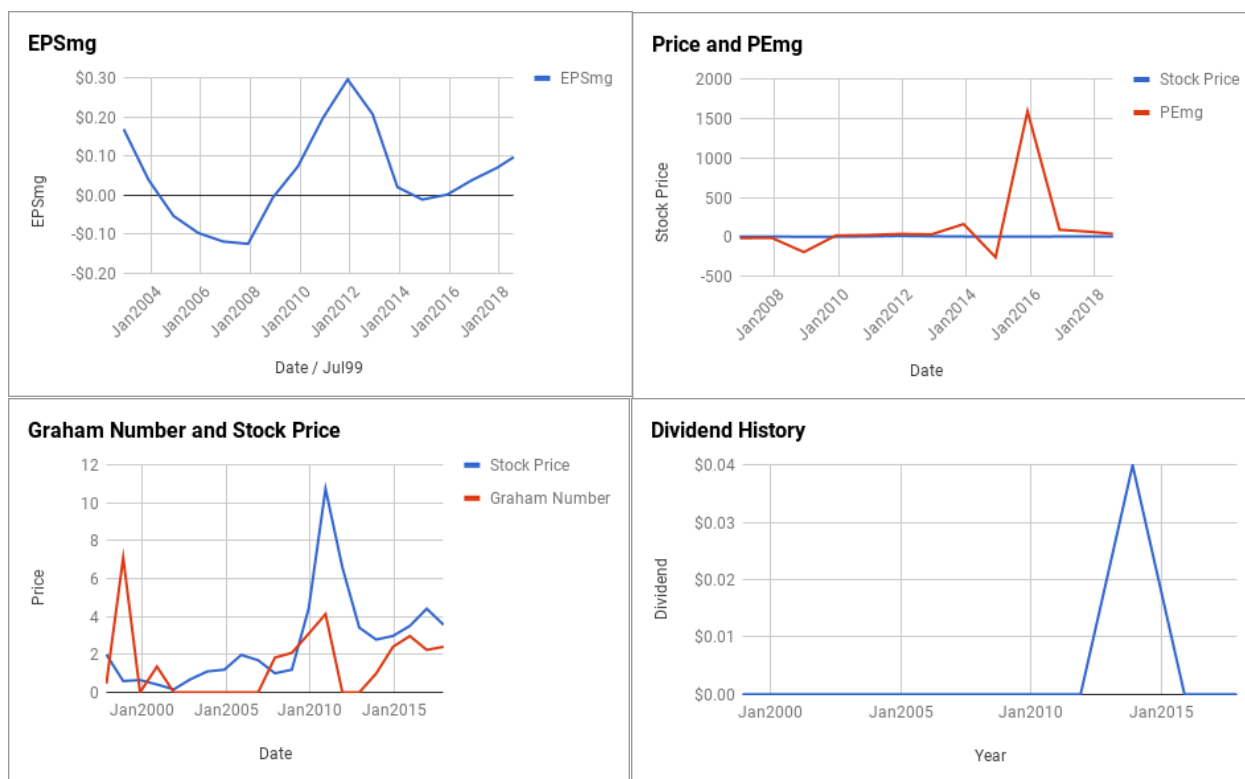
Net Current Asset Value (NCAV)	-\$0.04
Graham Number	\$2.41
PEmg	37.30
Current Ratio	2.67
PB Ratio	1.21
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	
Dec2017	\$0.09	Dec2017	\$0.10
Dec2016	\$0.08	Dec2016	\$0.07
Dec2015	\$0.15	Dec2015	\$0.04
Dec2014	\$0.12	Dec2014	\$0.00
Dec2013	\$0.02	Dec2013	-\$0.01
Dec2012	-\$0.33	Dec2012	\$0.02
Dec2011	-\$0.05	Dec2011	\$0.21
Dec2010	\$0.41	Dec2010	\$0.30
Dec2009	\$0.37	Dec2009	\$0.20
Dec2008	\$0.19	Dec2008	\$0.07
Dec2007	\$0.23	Dec2007	-\$0.01
Dec2006	-\$0.12	Dec2006	-\$0.12
Dec2005	-\$0.13	Dec2005	-\$0.10
Dec2004	-\$0.16	Dec2004	-\$0.05
Dec2003	-\$0.06	Dec2003	-\$0.05
Dec2002	-\$0.14	Dec2002	\$0.04
Dec2001	-\$0.02	Dec2001	\$0.17
Dec2000	\$0.08	Balance Sheet Information 3/1/2018	
Dec1999	-\$0.01	Total Current Assets	\$315,268,000
Dec1998	\$1.18	Total Current Liabilities	\$118,091,000
	\$0.01	Long-Term Debt	\$130,303,000
		Total Assets	\$1,305,397,000
		Intangible Assets	\$1,740,000
		Total Liabilities	\$327,836,000
		Shares Outstanding (Diluted Average)	325,062,000





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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ModernGraham
posts about the
company [Semafo Inc Valuation – Initial Coverage \\$TSE:SMF](#)

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ModernGraham
posts about related
companies [US Silica Holdings Inc Valuation – August 2018 \\$SLCA](#)
[Ivanhoe Mines Ltd Valuation – August 2018 \\$TSE:IVN](#)
[Cleveland-Cliffs Inc Valuation – July 2018 \\$CLF](#)
[Cloud Peak Energy Inc Valuation – July 2018 \\$CLD](#)
[Wheaton Precious Metals Corp Valuation – July 2018 \\$TSE-WPM](#)
[IAMGOLD Corp Valuation – July 2018 \\$TSE:IMG](#)
[Centerra Gold Inc Valuation – July 2018 \\$TSE:CG](#)
[Alliance Resource Partners LP Valuation – July 2018 \\$ARLP](#)
[Century Aluminum Co Valuation – July 2018 \\$CENX](#)
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