

# ModernGraham Valuation

Company Name:

Cenovus Energy Inc

Company Ticker TSE:CVE

Date of Analysis

10/2/2018



## 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	\$16,400,000,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.17	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	-57.49%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	19.02	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.84	Pass

*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	1.17	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	15.37	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.68
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$9.89
MG Value based on 0% Growth	\$5.80
Market Implied Growth Rate	5.26%

### MG Opinion

Current Price	\$12.97
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

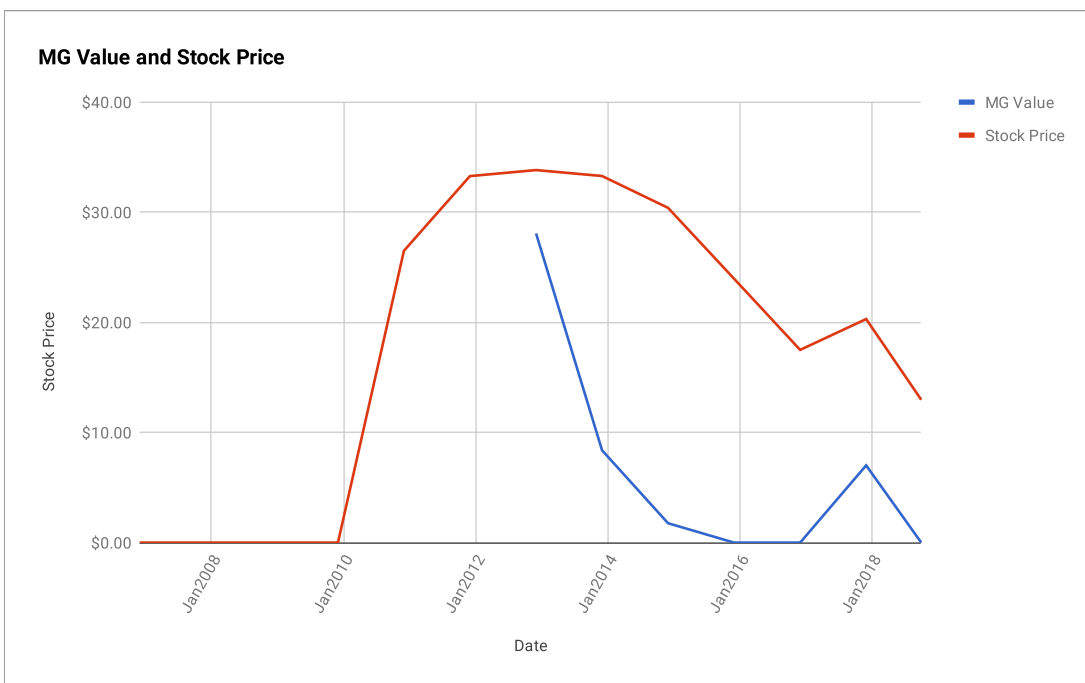
## Stage 3: Information for Further Research

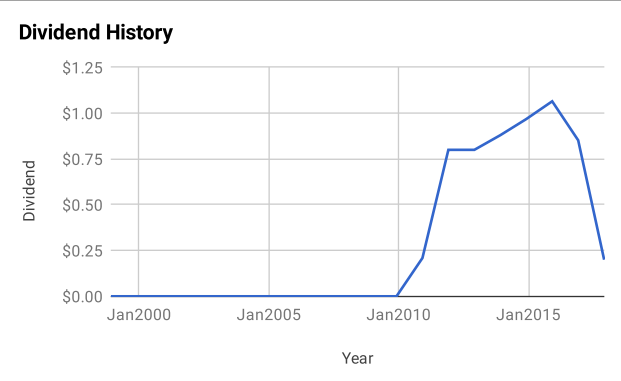
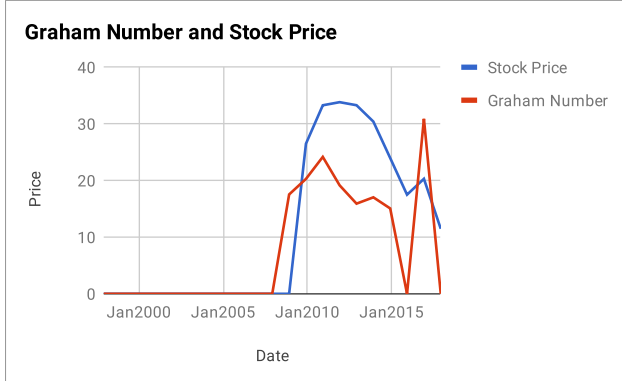
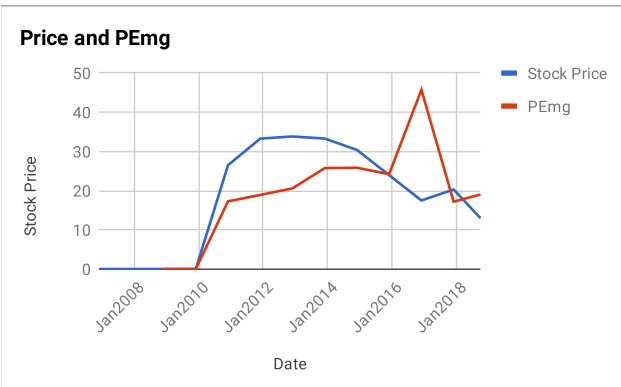
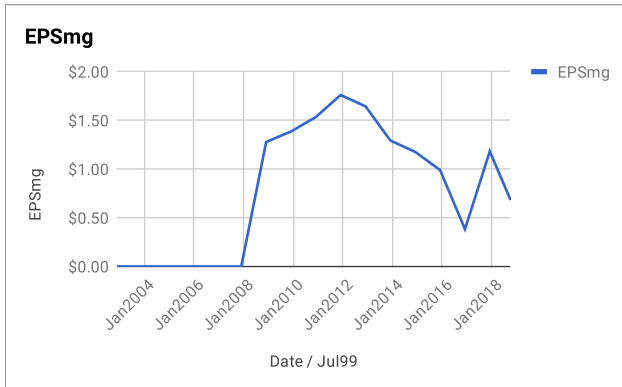
Net Current Asset Value (NCAV)	-\$13.61
Graham Number	\$0.00
PEmg	19.02
Current Ratio	1.17
PB Ratio	0.84
Current Dividend	\$0.20
Dividend Yield	1.54%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$0.50	Next Fiscal Year Estimate	\$0.68
Dec2017	\$3.05	Dec2017	\$1.18
Dec2016	-\$0.65	Dec2016	\$0.38
Dec2015	\$0.75	Dec2015	\$0.99
Dec2014	\$0.98	Dec2014	\$1.18
Dec2013	\$0.87	Dec2013	\$1.29
Dec2012	\$1.31	Dec2012	\$1.64
Dec2011	\$1.95	Dec2011	\$1.76
Dec2010	\$1.43	Dec2010	\$1.53
Dec2009	\$1.09	Dec2009	\$1.39
Dec2008	\$3.83	Dec2008	\$1.28
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	<b>Balance Sheet Information 6/1/2018</b>	
Dec2000	\$0.00	Total Current Assets	\$4,566,000,000
Dec1999	\$0.00	Total Current Liabilities	\$3,916,000,000
Dec1998	\$0.00	Long-Term Debt	\$9,992,000,000
		Total Assets	\$40,299,000,000
		Intangible Assets	\$2,272,000,000
		Total Liabilities	\$21,296,000,000
		Shares Outstanding (Diluted Average)	1,229,300,000





**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** [Cenovus Energy Inc Valuation – Initial Coverage \\$TSE:CVE](#)

**Other ModernGraham posts about related companies** [CNX Resources Corp Valuation – September 2018 \\$CNX](#)  
[Carbo Ceramics Inc Valuation – August 2018 \\$CRR](#)  
[Murphy Oil Corp Valuation – August 2018 \\$MUR](#)  
[Suncor Energy Inc Valuation – August 2018 \\$TSE:SU](#)  
[Tidewater Inc Valuation – August 2018 \\$TDW](#)  
[Carrizo Oil & Gas Inc Valuation – August 2018 \\$CRZO](#)  
[Denbury Resources Inc Valuation – August 2018 \\$DNR](#)  
[California Resources Corp Valuation – August 2018 \\$CRC](#)  
[Crew Energy Inc Valuation – August 2018 \\$TSE-CR](#)  
[Superior Energy Services Inc Valuation – August 2018 \\$SPN](#)