

**30 June 2020**

## **Paladin energy (PDN.ASX)**

**Overview.** Paladin Energy Limited (ASX: PDN) is an Australian listed uranium company focussed on maximising the value of its 75% stake in the Langer Heinrich uranium mine in Namibia. Langer Heinrich is a globally significant, long-life operation, having already produced over 40 million pounds of U3O8 to date. Operations at Langer Heinrich were suspended in 2018 due to low uranium prices.

Beyond Langer Heinrich, the Company also owns a large global portfolio of uranium exploration and development assets.



**For the aggressive trader ONLY**

**Current Share Price: \$0.89 target approx. ??**

**Recommendation – Investor (long term) currently - *Bullish***

**Recommendation – Conservative trader (medium term) currently - *Bullish***

**Recommendation – Aggressive trader (medium term) currently - *Bullish***

**Recommendation – Very Aggressive trader – *Bullish***

*Trailing Stop Loss 15-20% = approx. \$5.50*

Paladin has streamlined the company with its sole focus on the restart of the globally significant Langer Heinrich operation in mining friendly Namibia

<b>PDN PALADIN</b>	
<b>Valuation measures</b>	
	AQG
Market cap (intra-day) 5	206.84M
Enterprise value 3	235.88M
Trailing P/E	N/A
<b>Profitability</b>	
Profit margin	0.00%
Operating margin (ttm)	0.00%
<b>Management effectiveness</b>	
Return on assets (ttm)	-5.08%
Return on equity (ttm)	-61.04%
<b>Income statement</b>	
Revenue (ttm)	N/A
Revenue per share (ttm)	0
Quarterly revenue growth (yoy)	N/A
Gross profit (ttm)	4.54M
EBITDA	-9.38M
Net income avi to common (ttm)	-37.68M
Diluted EPS (ttm)	-0.017
Quarterly earnings growth (yoy)	N/A
<b>Balance sheet</b>	
Total cash (mrq)	37.72M
Total cash per share (mrq)	0.02
Total debt (mrq)	227.15M
Total debt/equity (mrq)	319.32
Current ratio (mrq)	1.27
Book value per share (mrq)	0.1
<b>Cash flow statement</b>	
Operating cash flow (ttm)	-11.21M
Levered free cash flow (ttm)	27.09M
<b>Trading information</b>	
Beta (5Y monthly)	1.2

mrq = Most-recent quarter  
 ttm = Trailing twelve months  
 yoy = Year on year  
 lfy = Last fiscal year  
 fye = Fiscal year ending

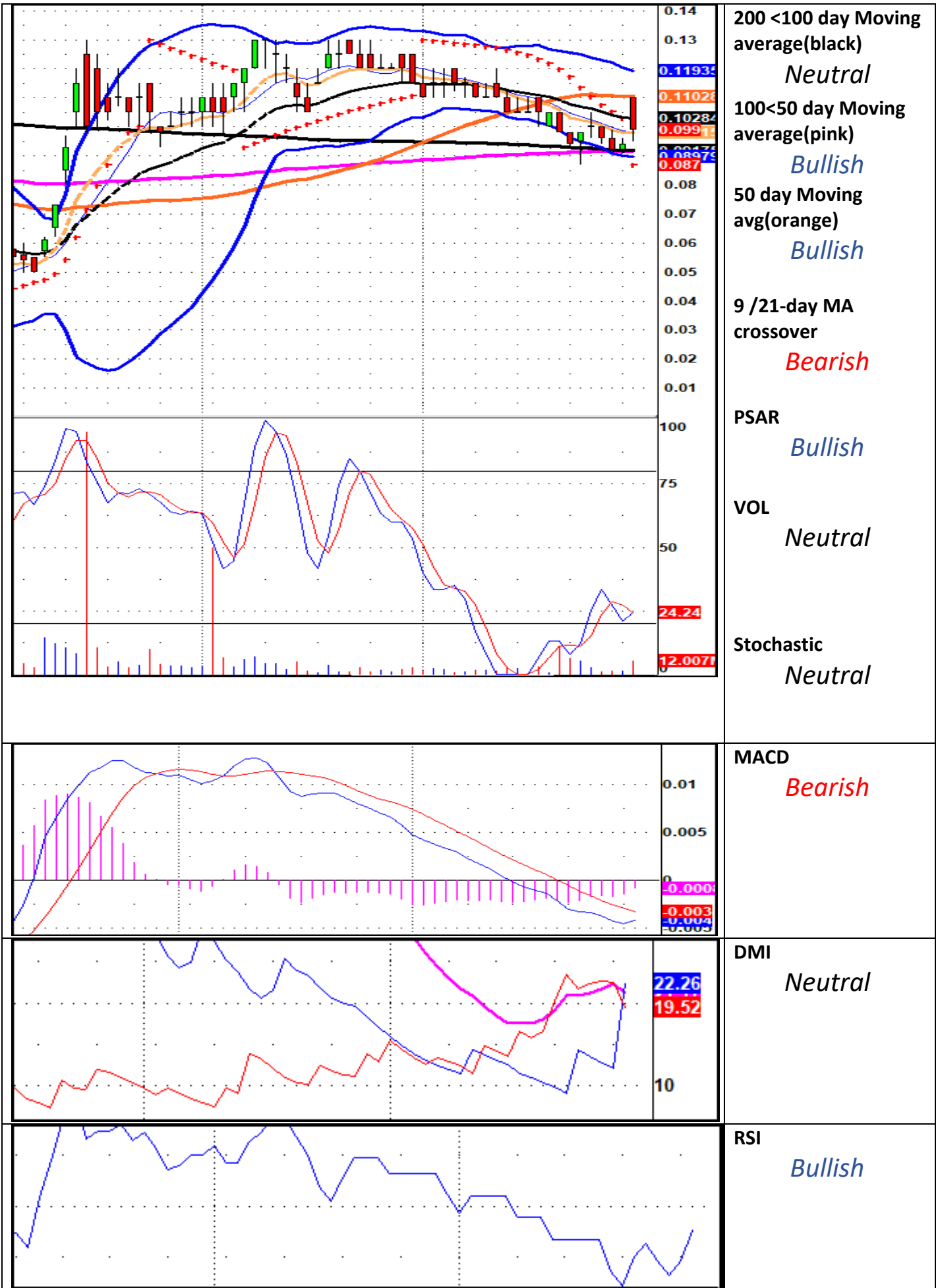
# Our GB8 mechanical system (is based on two-time frames and 8 indicators)



Legend: - - - - = trend

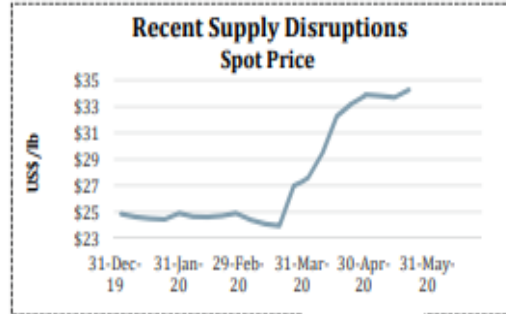
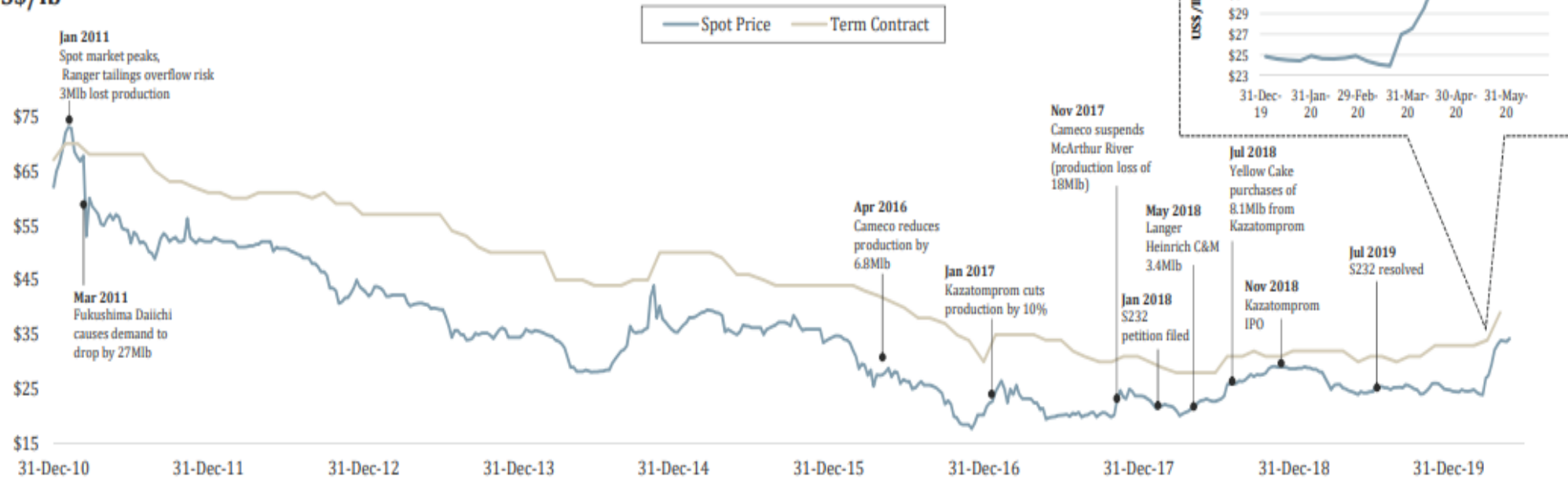
Our mechanical system created over the last 20 years has a 70 to 80% probability of success. Every day we try to see what is hot and what is not. We show you what and when to hold and when to fold your trades. It is based on using 2-time frames (charts). Provided a minimum 5 out of 8 indicators on each time frame shows a bull (buy), bear (sell) or Neutral (hold and wait) the signal to buy, sell or hold or wait is given respectively. The signal may be updated regularly based on the strategy of the trader and the investor.

# Chart Daily and indicators



# Current pricing unsustainable

## Uranium Market Prices 2011-20 US\$/lb



Source: TradeTech Nuclear Market Review

### Uranium Prices

- Until April 2020, Spot Uranium prices had declined c.60% since the Fukushima nuclear accident
- Term prices have been below US\$50/lb since April 2015
- Current pricing remains sub-economic for existing producers and below incentive pricing for suspended operations

### Recent Supply Disruptions

- Mining operation disruptions at Cigar Lake, Kazatomprom and Namibian operations
- Short term suspensions are exacerbating the structural supply deficit
- Upward movement in spot market price may be a precursor to term market activity
- Spot Uranium prices increased by over 36% since the start of the year (US\$25/lb to US\$34/lb)
- TradeTech quoted term price increased to US\$39/lb at the end of April 2020 (+18% since the start of the year)

<https://au.finance.yahoo.com/quote/PDN.AX/cash-flow?p=PDN.AX>

## Income statement

Currency in USD. All numbers in thousands

Breakdown	TTM	29/06/2019	29/06/2018	29/06/2017
Total revenue	-	30,645	98,656	124,602
Cost of revenue	-	24,171	94,029	100,827
Gross profit	-	6,474	4,627	23,775
∨ Operating expenses				
Selling general and administrative	6,495	10,615	4,832	15,775
<b>Total operating expenses</b>	36,582	44,697	61,749	353,570
<b>Operating income or loss</b>	-36,555	-38,223	-57,122	-329,795
Interest expense	33,518	32,083	66,818	183,513
Total other income/expenses net	1,181	262,3699	588,190	-69,459
Income before tax	-68,892	-70,044	464,637	-582,501
Income tax expense	0	0	0	48,586
Income from continuing operations	-68,892	-70,044	464,637	-631,087
<b>Net income</b>	-44,983	-43,270	497,581	-595,144
Net income available to common s...	-44,983	-43,270	497,581	-595,144
Basic EPS	-	-0.02	0.29	-0.35
Diluted EPS	-	-0.02	0.29	-0.35
Basic average shares	-	1,739,350	1,712,844	1,712,844
Diluted average shares	-	1,739,350	1,712,844	1,712,844
EBITDA	-	-6,233	557,339	-379,134

## BALANCE SHEET

In millions

PERIOD ENDING 30/06/2019 30/06/2018 30/06/2017

### Assets

Current Assets	-	-	-
Cash And Cash Equivalents	46.520	1.616	17.116
Short Term Investments	25.731	51.297	12.814
Net Receivables	1.449	10.971	17.882
Inventory	7.640	14.479	35.722
Other Current Assets	16.883	14.958	0.215
<b>Total Current Assets</b>	<b>63.840</b>	<b>95.362</b>	<b>71.841</b>
Long Term Investments	-	-	-
Property Plant and Equipment	455.954	443.889	484.931
Goodwill	-	-	-
Intangible Assets	13.479	13.636	13.824
Accumulated Amortization	-	-	-
Other Assets	-	-	-
Deferred Long Term Asset Charges	-	-	-
<b>Total Assets</b>	<b>533.755</b>	<b>553.392</b>	<b>571.095</b>

### Liabilities

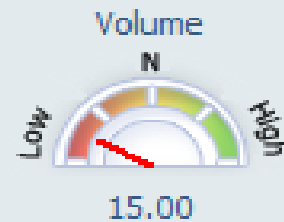
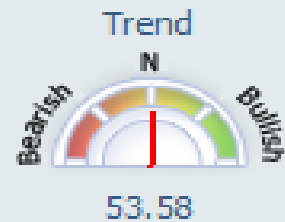
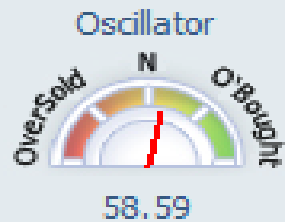
Current Liabilities	-	-	-
Accounts Payable	3.348	17.524	23.733
Short/Current Long Term Debt	-	-	518.084
Other Current Liabilities	60.598	-	361.933
<b>Total Current Liabilities</b>	<b>64.939</b>	<b>24.615</b>	<b>906.849</b>
Long Term Debt	308.281	266.432	116.300
Other Liabilities	51.365	118.113	114.951
Deferred Long Term Liability Charges	-	-	-
Minority Interest	(189.516)	(174.429)	(136.014)
Negative Goodwill	-	-	-
<b>Total Liabilities</b>	<b>235.068</b>	<b>234.731</b>	<b>1002.086</b>
<b>Stockholders' Equity</b>			
Misc Stocks Options Warrants	-	-	-
Redeemable Preferred Stock	-	-	-
Preferred Stock	-	-	-
Common Stock	3286.218	3109.006	2733.652
Retained Earnings	(2728.336)	(2555.367)	(3063.084)
Treasury Stock	-	-	-
Capital Surplus	-	-	-
Other Stockholder Equity	-	-	-
<b>Total Stockholder Equity</b>	<b>298.687</b>	<b>318.661</b>	<b>(430.990)</b>
<b>Net Tangible Assets</b>	-	-	-

Expert's Criteria		Key Figures			
Criteria	Status	Key Figure	Company	Industry	Unit
P/E RATIO	FAIL	Cash Flow per Share	-0.010	0.000	\$
REVENUE GROWTH IN RELATION TO EPS GROWTH	NO INFO	Current Ratio	0.980	4.460	times
SALES GROWTH RATE	NO INFO	Dividend Payout Ratio	0.000	0.000	%
CURRENT QUARTER EARNINGS	FAIL	Dividend Yield	0.000	0.000	%
QUARTERLY EARNINGS ONE YEAR AGO	FAIL	Earnings per Share	-0.030	-0.010	\$
POSITIVE EARNINGS GROWTH RATE FOR CURRENT QUARTER	FAIL	Market Cap	190.622 m.	49.294 m.	\$
EARNINGS GROWTH RATE FOR THE PAST SEVERAL QUARTERS	NO INFO	PEG Ratio	-0.010	-0.030	times
EPS GROWTH (CURRENT QUARTER > PRIOR 3 QUARTERS)	PASS	Price/Book Value Ratio	0.540	2.090	times
EPS GROWTH (CURRENT QUARTER > HISTORICAL GROWTH)	NO INFO	Price/Cash Flow Ratio	0.440	3.410	times
EARNINGS PERSISTENCE	FAIL	Price/Earnings Ratio	0.420	4.700	times
LONG-TERM EPS GROWTH	NO INFO	Price/Sales Ratio	7.290	390.520	times
TOTAL DEBT/EQUITY RATIO	FAIL	Return on Equity	-14.210	-28.360	%

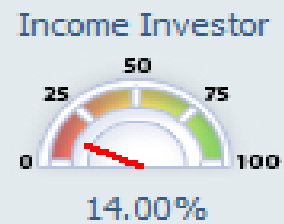
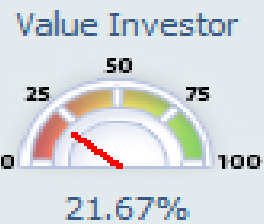
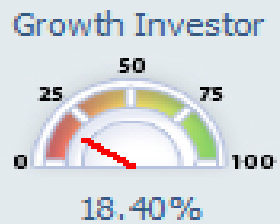
Hubb server



### Technical Indicators



### Fundamental Indicators



### Broker Recommendations



Sell

Underperform

Hold

Buy

Strong Buy



### News Headlines

### Growth Investor

- Predictive Play
- Prosperity
- Smart Growth
- VG Growth Model
- Wall Street Winner

### Value Investor

- Contrarian
- Intelligent Investor
- Value Hunter

### Income Investor

- VG Income Model

# full market report

**George Beyrouthi** Director of FS Securities (QLD) Pty Ltd (ACN 148 991 968) and education and information firm on the Gold Coast in Qld Australia.

**DISCLAIMER** Any trading advice contained in this communication is of a general nature only, and your personal financial circumstances have not been considered in its preparation. Please be aware that trading in financial markets results in both profit and loss.

**For further information call us on (07) 5630 4141 or 0411 259 526 for George Beyrouthi (Director)**

