Advantage Energy
SAMPLE ANALYTICS REPORT
By Oosman Sadiq (CPA, FRM and FCA)

INTRODUCTION

Advantage Energy Ltd. is a growth-oriented corporation focused entirely on development of its significant position in the Montney natural gas and liquids resource play. The Corporation’s common shares trade on the Toronto Stock Exchange under the symbol AAV with its head office in Calgary, Alberta, Canada.

Advantage’s Montney assets are located from approximately 4 to 80 km northwest of the city of Grande Prairie, Alberta. Advantage’s land holdings consist of 224 net sections (143,360 net acres) of liquids-rich Montney lands at Glacier, Valhalla, Progress and Pipestone/Wembley. Management estimates a future drilling inventory of >1,900 horizontal well locations. Total estimated capital expenditures over the life of the project could exceed $10 billion with associated reserves and production growth. Production has grown to 65,000 boe/d.

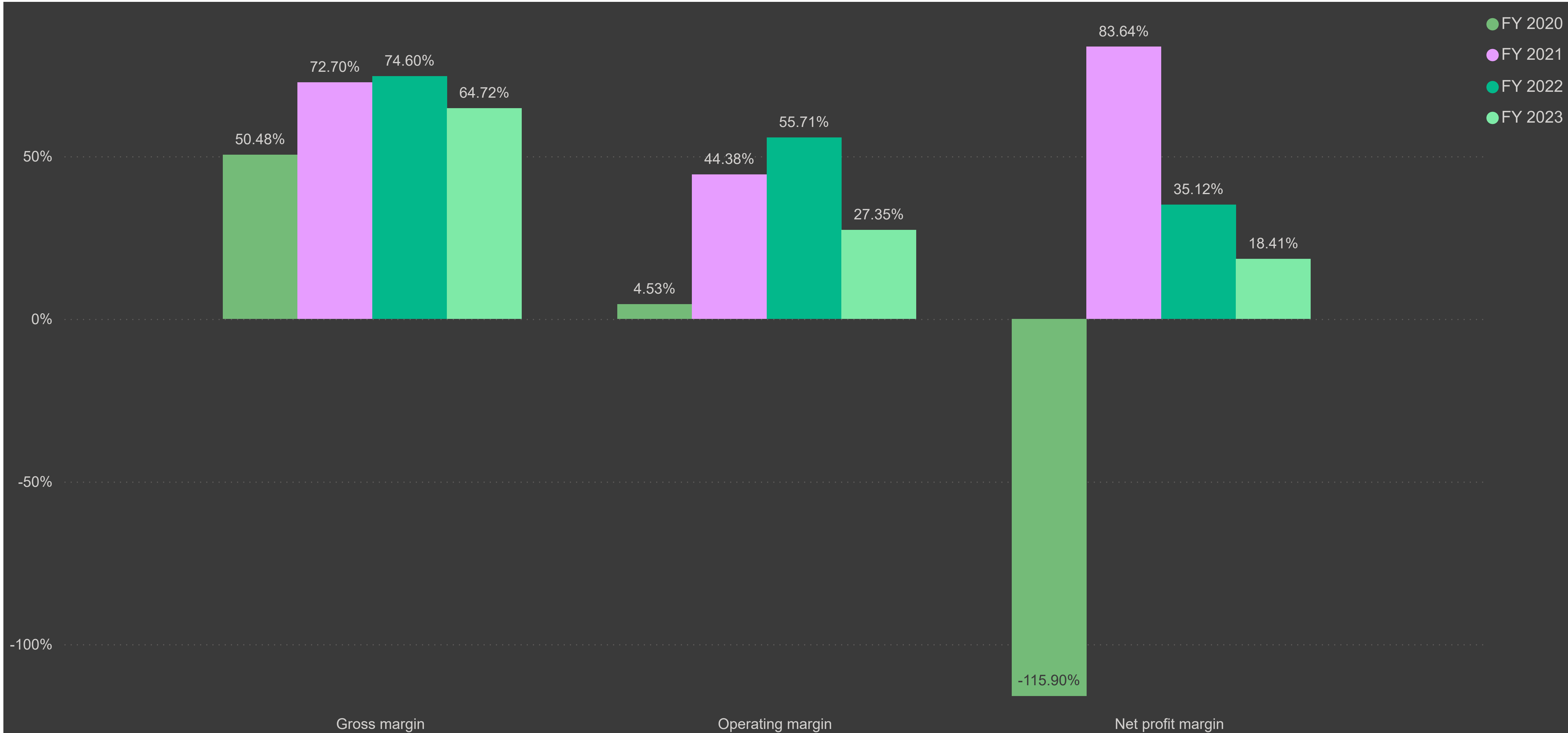
Why Advantage

- Proudly producing Canadian energy, for the world
- Intermediate, focused Montney producer with commanding infrastructure base
- Uniquely positioned to generate shareholder wealth and reduce emissions intensity

OVERVIEW OF THE REPORT

The purpose of this report is to present a visual analysis of Advantage Energy Ltd. performance over the last 4 years based on:

- Profitability ratios
- Liquidity Ratios
- Return measures
- Cash Flow measures
- Market performance of the shares



Net Margin

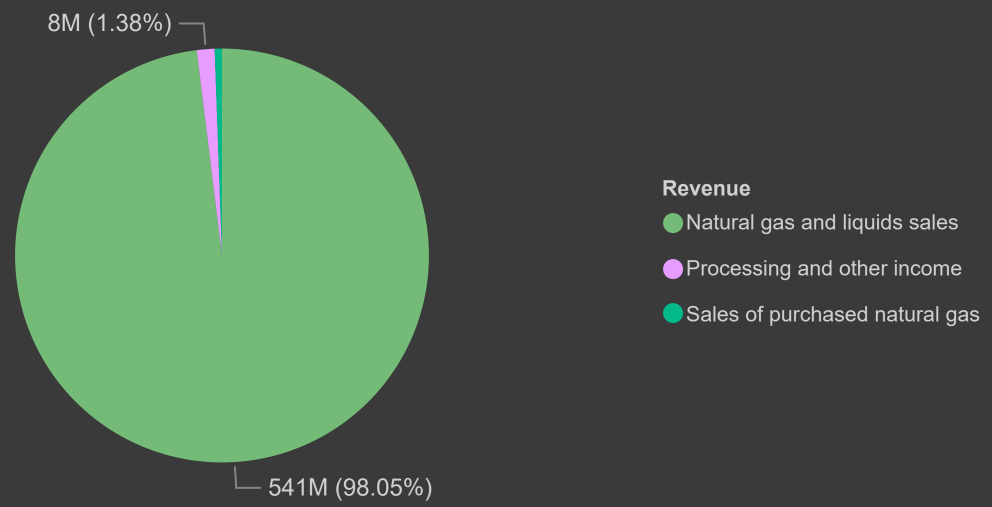
The net margin has improved compared to the previous year. The increase is a healthy indicator for the company.

Gross Margin and Operating Margins

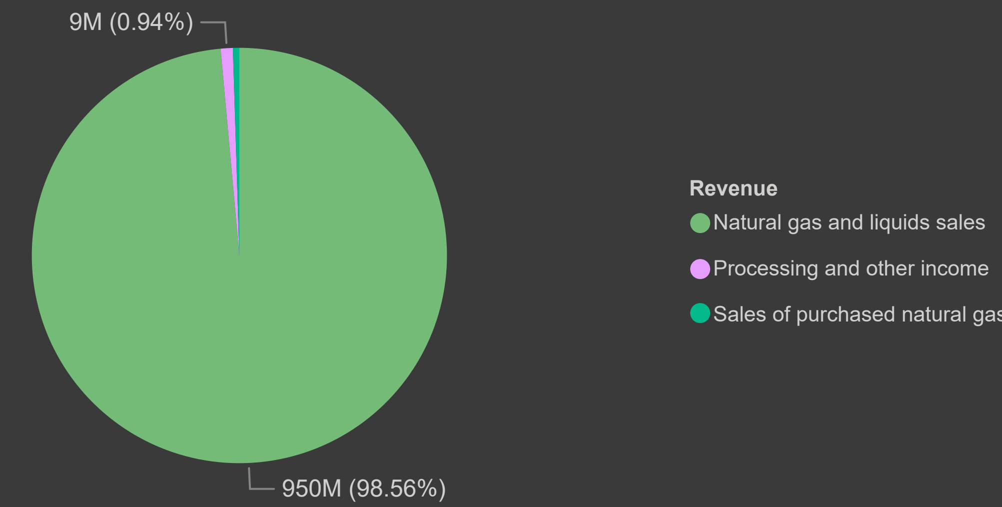
The gross margin and operating margins have improved compared to the previous year. Moreover, the trend is healthy indicating a positive outlook for the company.

REVENUE ANALYSIS

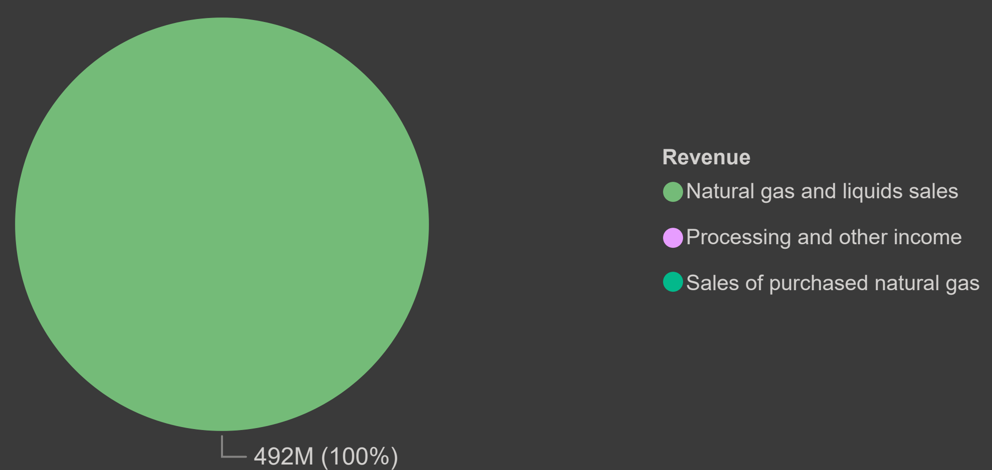
FY 2023 by Revenue



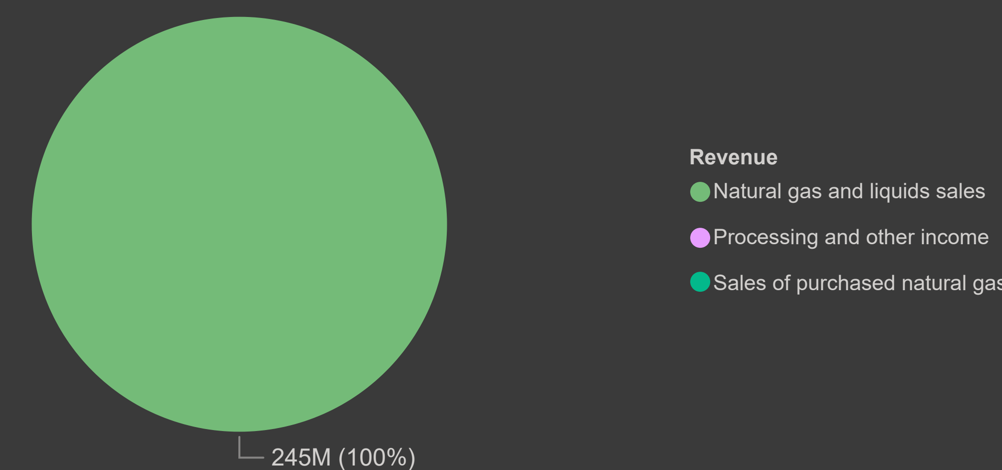
FY 2022 by Revenue



FY 2021 by Revenue

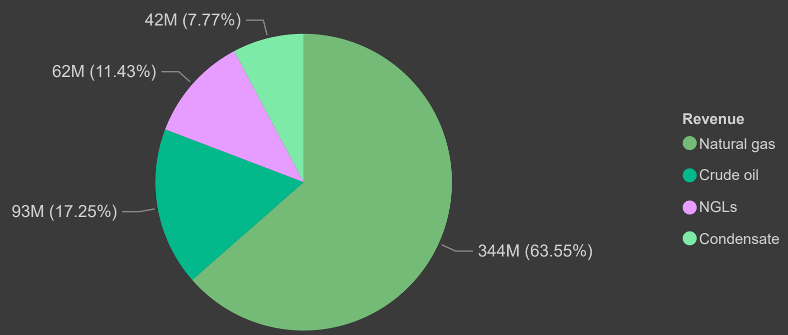


FY 2020 by Revenue

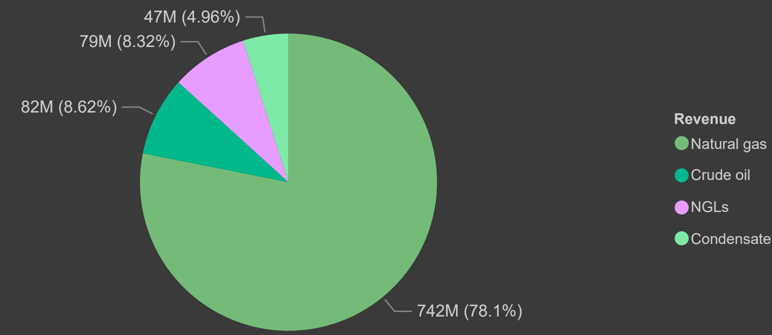


REVENUE ANALYSIS BY NATURAL GAS AND LIQUID SALES

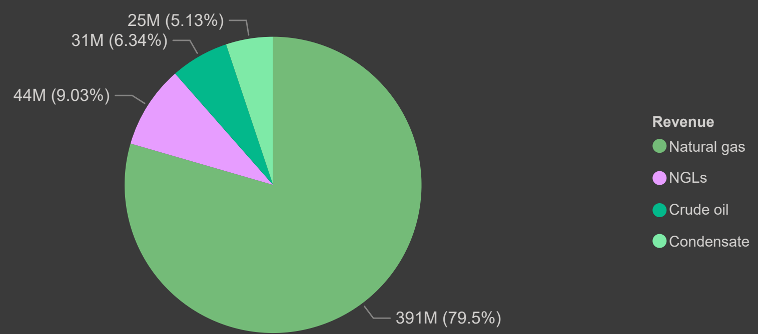
FY 2023 by Revenue



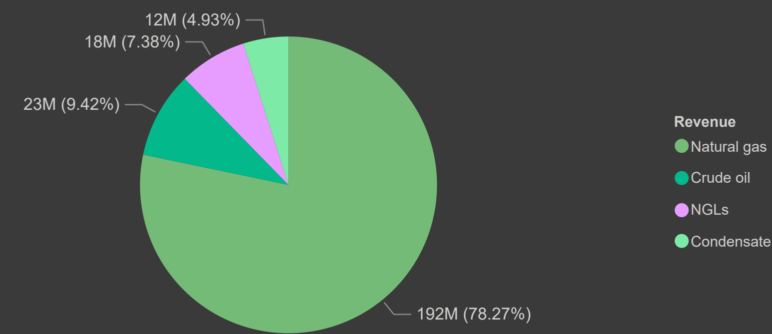
FY 2022 by Revenue

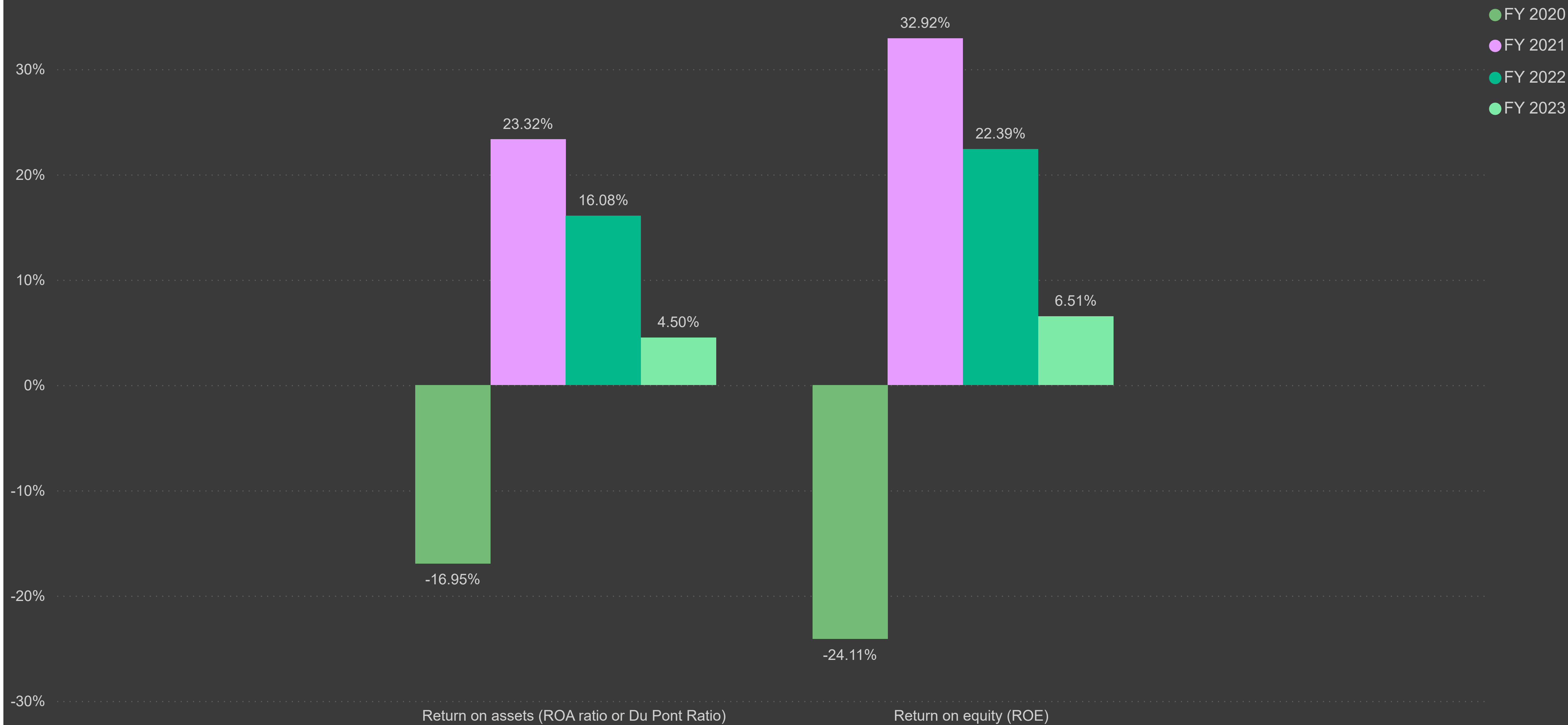


FY 2021 by Revenue



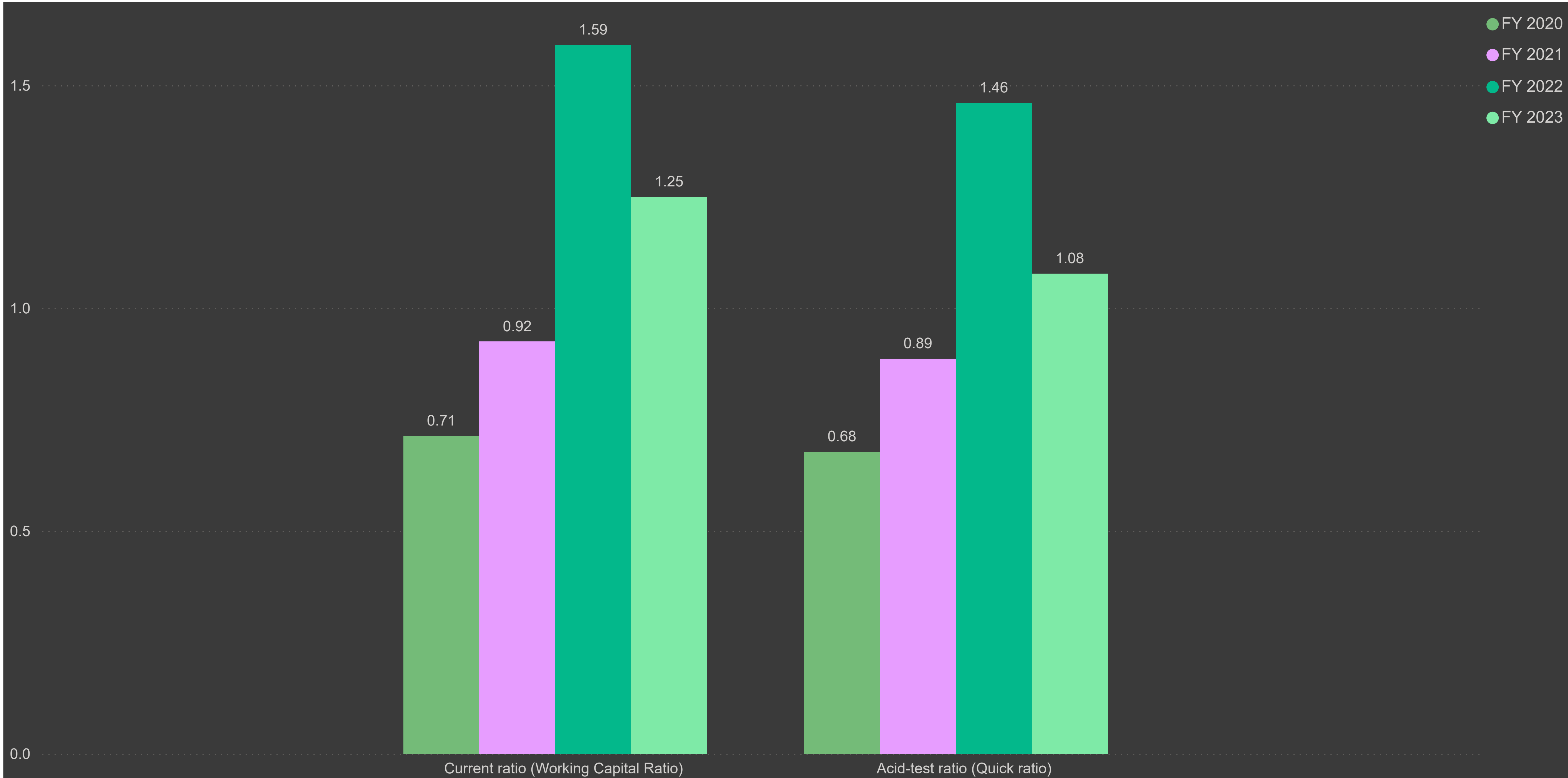
FY 2020 by Revenue





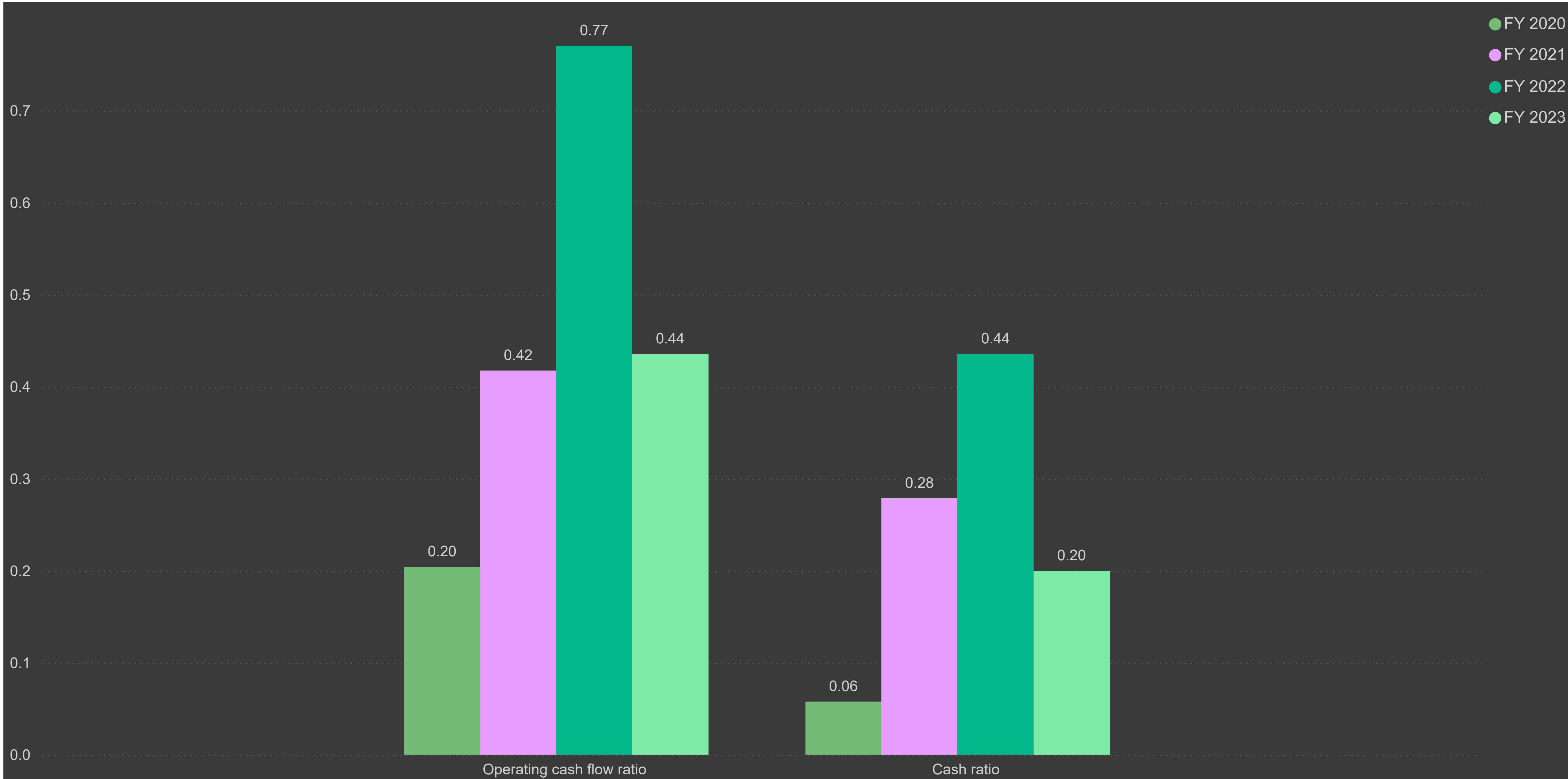
Return on Equity, and Return on Assets

As evidenced by the above graphs, returns on the assets and equity declined substantially over the period. Thus, further analysis is needed to increase the above returns.



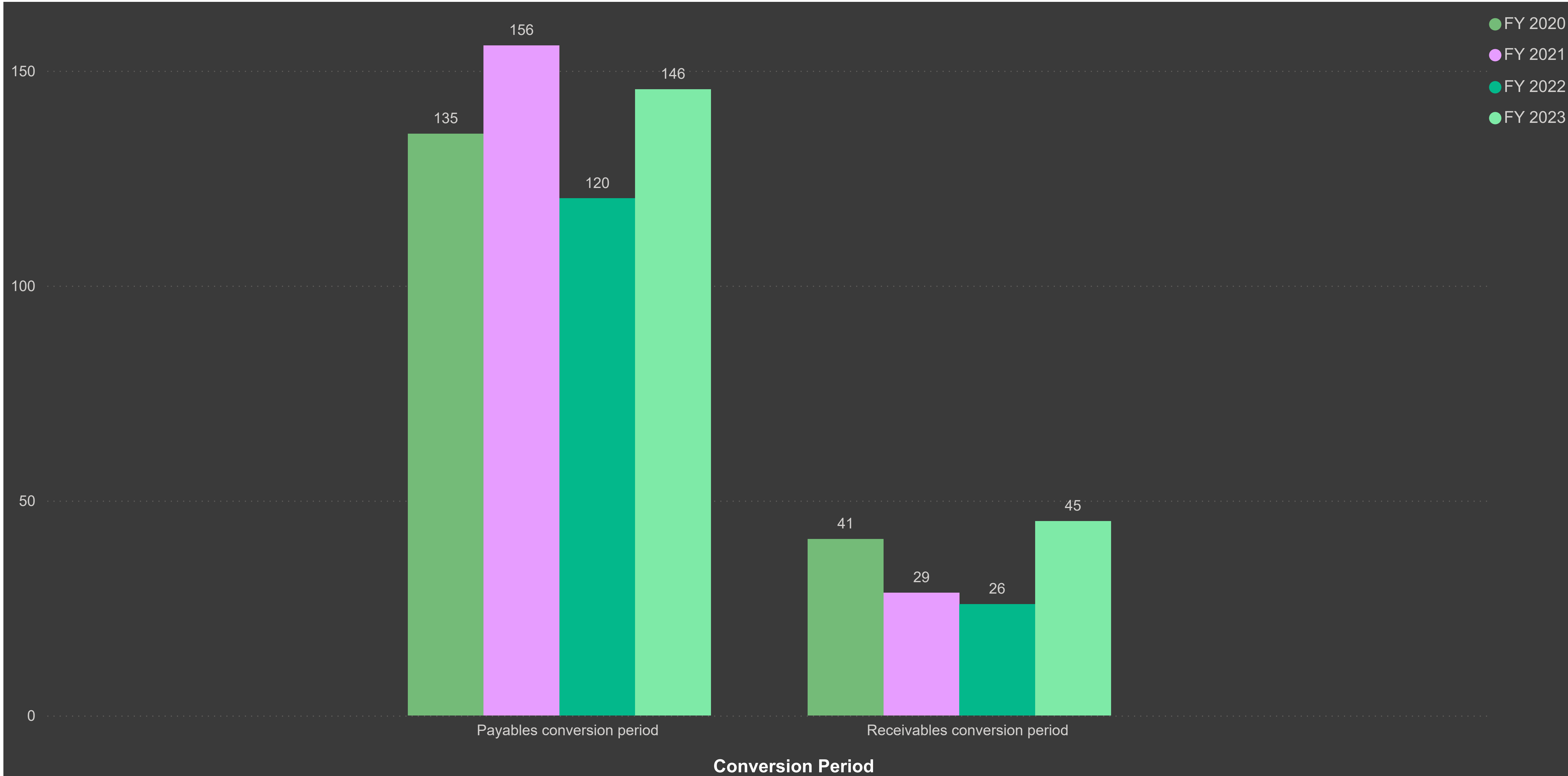
Current Ratio and Quick Ratio

The current and quick ratio have declined versus last year. This decline should be investigated to ensure that liquidity issues do not cause problems in the growth trajectory of the company.



Cash and Operating Cash Flow Ratios

- The cash ratio position has decreased compared to last year, which indicates a negative liquidity outlook.
- The operating cash flow ratio shown improvement and is now positive, indicating a negative outlook for the organization.



- The payables conversion period has increased overall, but is lower from FY 2021, indicating better utilization of credit, but further work can be done in this regard.
- Moreover, the receivable period is higher than prior periods, which further indicates that cash is being tied up.
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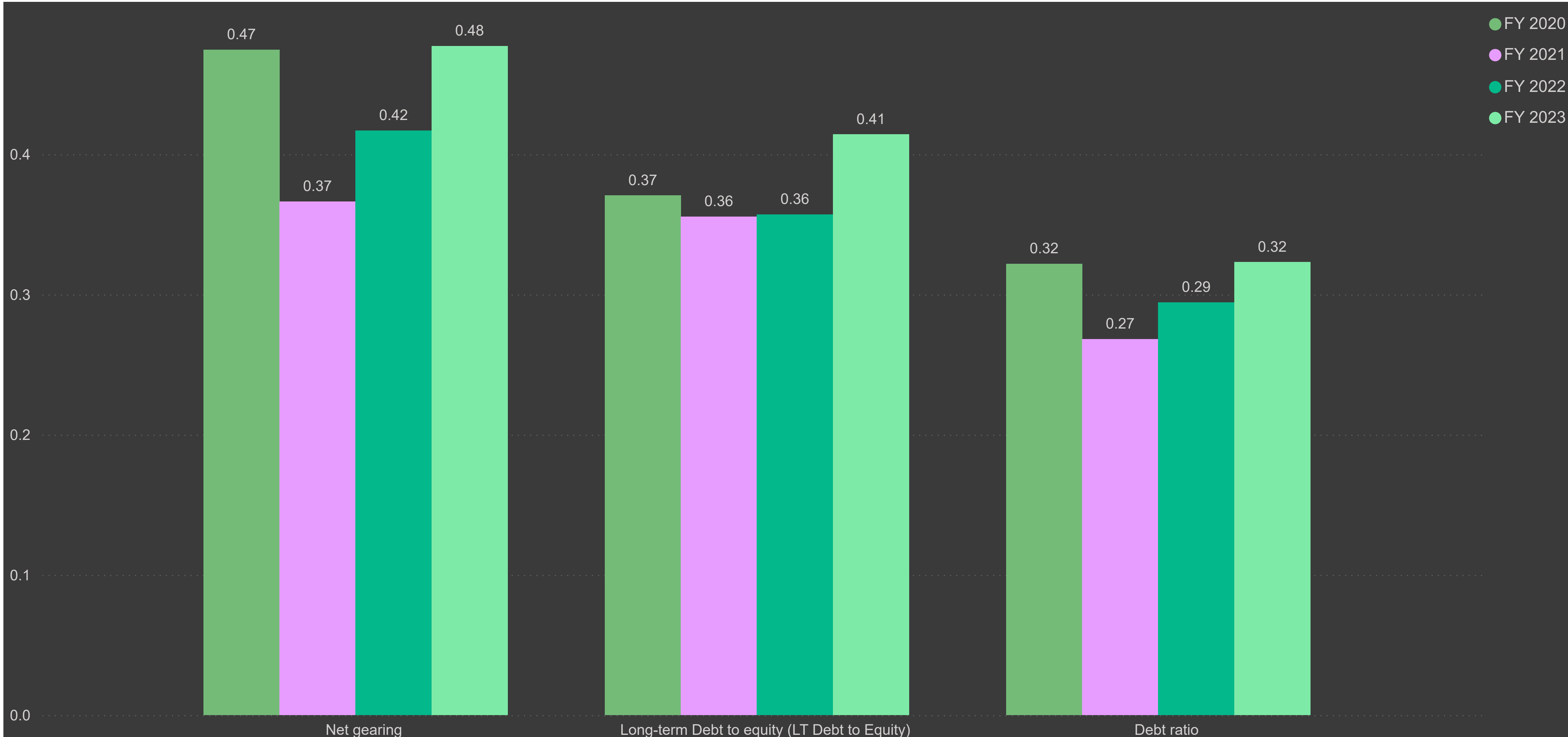
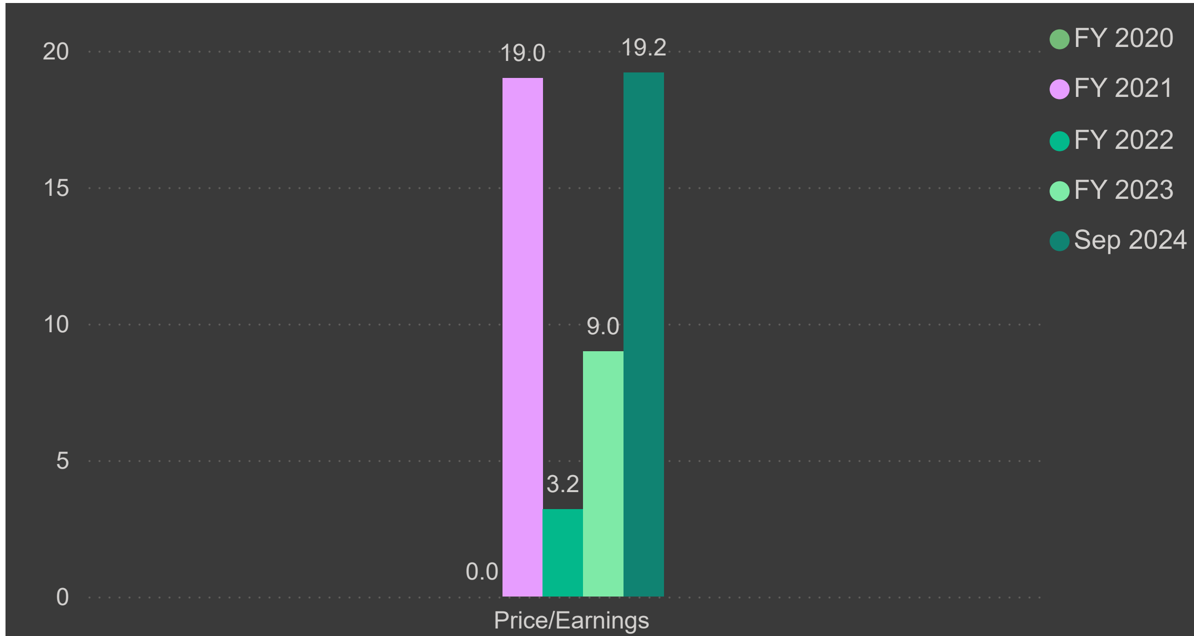
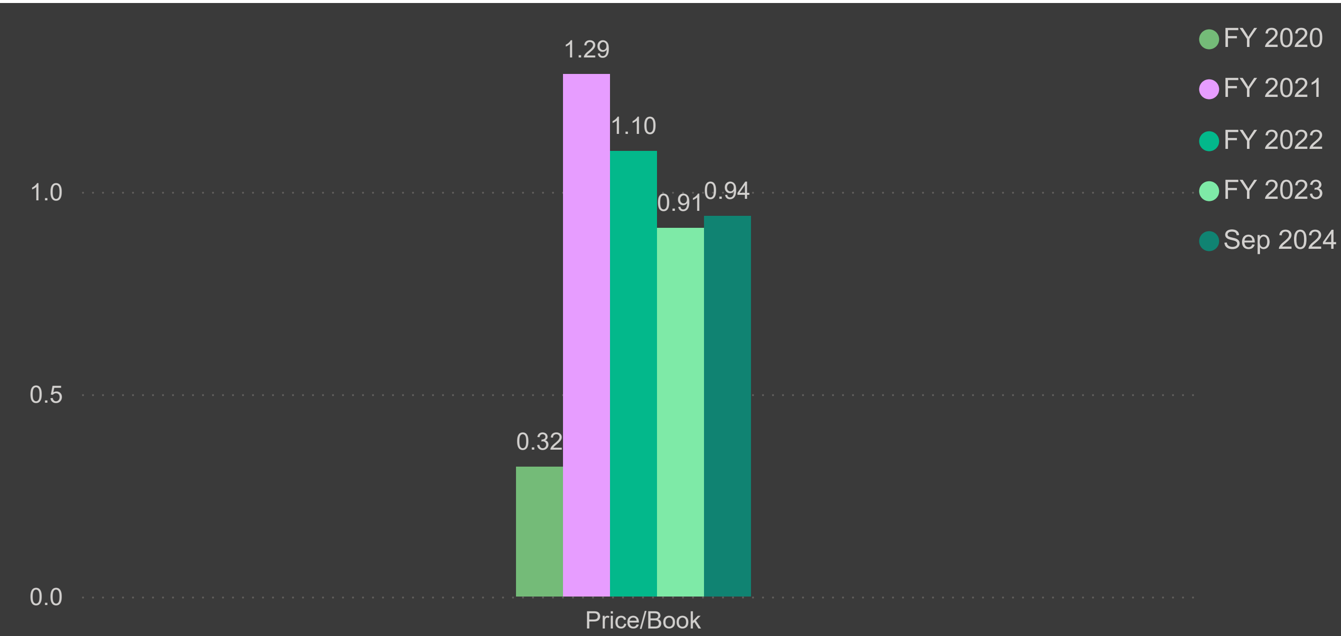


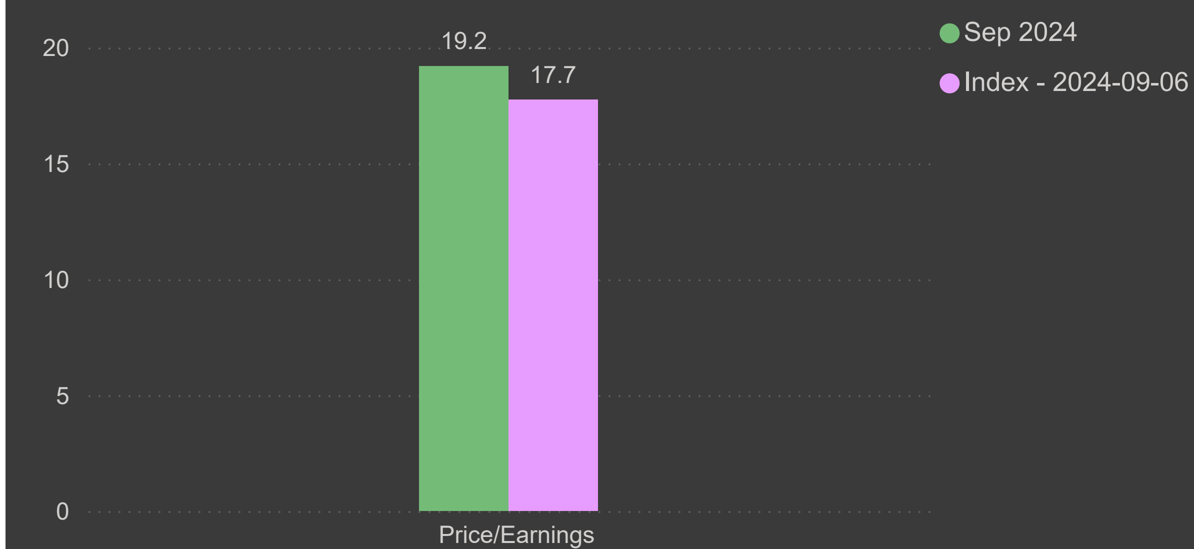
Debt Ratios

- The net gearing has increased from last year, which can be indicative of higher financial risk.
- Long-term debt to equity has increased which indicates improvement and higher financial risk.
- Debt Ratios have increased from last year, which can be indicative of a higher level of financial risk.

Thus, the debt position has declined and should be investigated.







Market Ratios

- The PE ratio is lower indicating lower valuations being priced into the company vs the earnings.
- Moreover, when compared with the index the PE is higher which may indicate higher valuations.
- Price to book ratio has risen versus last year but is still lower than 2022 and 2021 indicating that higher price can be priced in the index. An opposite trend is also seen for price to book ratios when compared with the index, this shows lower valuation vs the index.
- Further, drill-down analysis can be done to aid in further stockholder growth.