Pine Cliff Energy Ltd. (PIFYF)

Updated May 12th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$0.45	**5 Year Annual Expected Total Return:**	1.1%	**Market Cap:**	$160 M
Fair Value Price:	$0.42	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	05/15/2026[1]
% Fair Value:	107%	**5 Year Valuation Multiple Estimate:**	-1.4%	**Dividend Payment Date:**	05/29/2026
Dividend Yield:	2.4%	**5 Year Price Target**	$0.42	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**Sector:**	Energy	**Rating:**	Sell

Overview & Current Events

Pine Cliff Energy is a Canadian natural gas producer focused on long-life, low-decline assets primarily located in Alberta. It runs a lean, income-oriented model, prioritizing cash flow stability and shareholder returns over aggressive production growth. Its asset base is concentrated in mature, conventional natural gas fields, complemented by smaller volumes of natural gas liquids (NGLs) and light oil. The company distinguishes itself through a low CAPEX profile, disciplined financial management, and a strategy of opportunistic acquisitions rather than organic drilling. Also, Pine Cliff owns and operates key infrastructure, including gas processing and gathering facilities, which supports its margin control and market access. The company pays dividends monthly and reports its financials in CAD. All figures in this report have been converted to USD unless otherwise noted. The stock trades at a market cap of $160 million.

On May 5th 2026, Pine Cliff Energy posted its Q1 results for the period ending March 31st, 2026. Pine Cliff reported total commodity sales of about $31.9 million, down from last year, driven mainly by a 6% decline in production volumes despite stronger realized natural gas pricing and a 47% premium to AECO from hedging and marketing strategy. Adjusted funds flow was about $7.0 million, declining from last year as lower production and ongoing commodity price volatility outweighed the benefit of stronger realized gas prices and continued capital discipline. The company recorded a net loss of $1.2 million compared to a $2.0 million net loss in Q1 2025, reflecting reduced volumes and higher capital expenditures tied mainly to the Glauconite well, partially offset by stronger realized pricing and lower year-over-year net debt. For FY2026, we expect EPS of about $0.06.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	($0.12)	($0.18)	($0.17)	($0.14)	($0.12)	$0.19	$0.23	$0.02	($0.04)	($0.02)	***$0.06***	***$0.06***
DPS	---	---	---	---	---	---	$0.05	$0.10	$0.05	$0.02	***$0.01***	***$0.01***
Shares[2]	306.3	307.1	307.1	319.3	330.3	348.3	360.0	359.4	357.4	358.6	***358.8***	***365.0***

Over the past decade, Pine Cliff Energy's EPS has reflected the challenges of operating in a highly volatile, commodity-driven industry, especially one so heavily weighted to natural gas. From 2016 through 2020, the company consistently reported negative EPS, ranging from ($0.07) to ($0.18), despite achieving positive funds flow in many of those years. These losses were driven largely by persistently low natural gas prices in Western Canada (particularly at the AECO hub), along with very high depletion and impairment charges, limited hedging protection, and the burden of interest expenses related to earlier acquisitions. Even in periods of stable production, margins were frequently too thin to cover full-cost accounting metrics like depreciation and deferred tax liabilities.

In 2021 and 2022, Pine Cliff finally delivered positive EPS ($0.19 and $0.23, respectively), buoyed by a notable recovery in gas prices, improved cost structure, and the reversal of prior impairment charges. These were standout years, with the company also eliminating net debt and initiating a dividend. However, EPS slipped again to just $0.02 in 2023, and turned negative at ($0.04) in 2024, as commodity prices softened and asset depletion continued to weigh on results.

[1] Estimated dates based on past dividend dates
[2] Share count is in millions.
Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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This trend persisted in 2025 with an EPS of ($0.02), as a return to profitability in the final quarter was insufficient to offset the operational headwinds and lower realized pricing earlier in the year.

Moving forward, we don't forecast further growth in earnings or the dividend due to weaker natural gas prices, limited drilling activity, and the company's focus on preserving cash flow rather than pursuing production growth.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	---	---	---	---	1.4	4.0	56.0	---	25.5	***7.5***	***7.0***
Avg. Yld.	---	---	---	---	---	---	5.4%	8.9%	5.9%	3.6%	***2.4%***	***2.6%***

Pine Cliff's consistent net losses for much of the past decade have made it hard value the company. Even in more recent years, when the company posted profits, assigning a fair multiple has been difficult given its high exposure to natural gas prices, which remain volatile and unpredictable. We have set our fair multiple at 7 times, but warn that, to a large extent, it's speculative. The stock's low yield is rather underwhelming following 2025's April's dividend cut.

Safety, Quality, Competitive Advantage, & Recession Resiliency

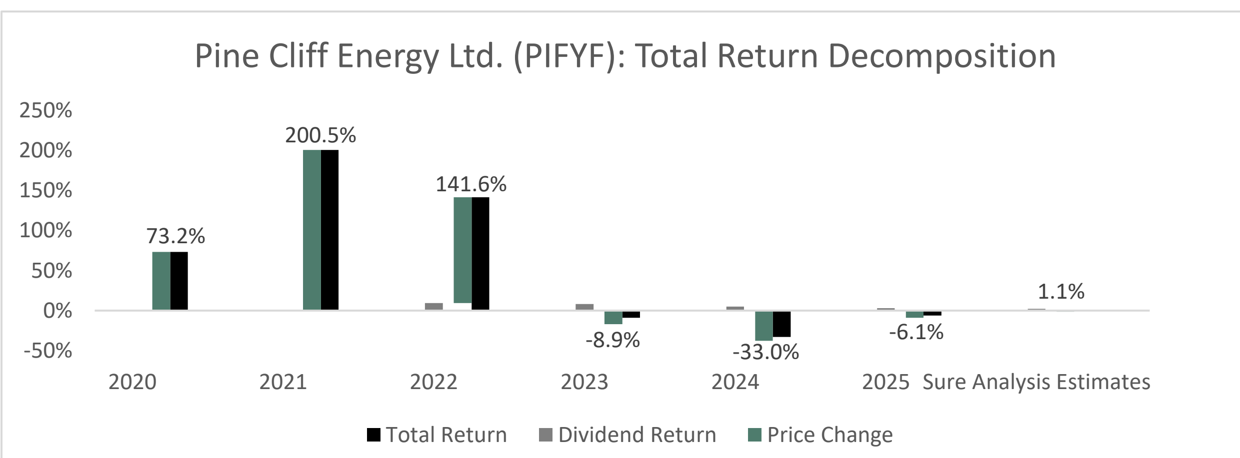
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	---	---	---	22%	500%	---	---	***18%***	***18%***

Pine Cliff offers investors limited downside protection, as its revenues and cash flows are highly sensitive to natural gas prices, with little hedging or diversification to offset market swings. While the company maintains a clean balance sheet and low capital intensity, its reliance on mature, low-growth assets limits its business quality and reinvestment potential. The company also lacks meaningful competitive advantages, as its production base is undifferentiated, and it operates in a crowded, low-margin sector without scale or premium pricing. Recession resiliency is weak too, as demand for natural gas can fluctuate sharply in economic downturns, and Pine Cliff's minimal oil exposure offers no insulation against those cycles. Accordingly, we believe investors should not rely on the company's dividend.

Final Thoughts & Recommendation

Pine Cliff offers exposure to natural gas with a low-cost, low-growth model, but the investment case is weak. Notably, it lacks meaningful earnings power in a low-price environment, has no clear growth catalysts, and offers limited downside protection. We believe the stock, could, in fact, barely register positive returns in the coming years. We highlight that our estimates are utterly speculative given the nature of the business. Regardless, due to the weak return prospects along with last year's dividend cut, we rate the stock as a sell.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	90	96	83	82	80	134	238	144	143	117
Gross Profit	35	51	43	42	42	88	177	96	92	-5
Gross Margin	39.2%	52.6%	52.4%	51.6%	51.8%	65.4%	74.2%	67.1%	64.7%	-4.3%
SG&A Exp.	7	7	5	4	4	5	7	8	10	7
Operating Profit	(34)	(20)	(28)	(32)	(28)	17	90	3	(14)	-14
Operating Margin	-38.5%	-20.3%	-34.3%	-39.4%	-34.4%	12.9%	37.9%	1.8%	-9.7%	-12.0%
Net Profit	(38)	(52)	(56)	(43)	(37)	65	84	7	(16)	-9
Net Margin	-42.5%	-54.3%	-67.7%	-52.1%	-46.7%	48.5%	35.1%	4.7%	-11.0%	-7.7%
Free Cash Flow	10	9	(1)	6	1	22	93	34	16	7
Income Tax	(8)	16	22		-	(40)	10	(5)	(4)	-2

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	365	322	260	248	227	297	276	360	266	234
Cash & Equivalents	0	1	3	7	6	5	40	-	-	3
Accounts Receivable	15	12	10	10	12	17	20	18	17	15
Total Liabilities	220	220	215	240	256	262	178	284	228	209
Accounts Payable	16	14	12	21	21	31	-	-	-	27
Long-Term Debt	53	42	44	46	48	33	-	44	39	32
Shareholder's Equity	145	103	45	8	(29)	36	99	75	38	26
LTD/E Ratio	0.36	0.41	0.99	5.77	(1.63)	0.92	-	0.59	1.04	1.24

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	-9.2%	-15.2%	-19.3%	-16.7%	-15.8%	24.8%	29.2%	2.1%	-5.0%	-3.5%
Return on Equity	-24.2%	-42.3%	-76.1%	-161%		2043%	124.8%	7.8%	-27.6%	-27.2%
ROIC	-15.9%	-30.5%	-47.9%	-59.3%	-103%	149.5%	100.3%	6.2%	-15.9%	-12.6%
Shares Out.	306.3	307.1	307.1	319.3	330.3	348.3	360.0	359.4	357.4	358.6
Revenue/Share	0.29	0.31	0.27	0.26	0.24	0.38	0.66	0.40	0.40	0.33
FCF/Share	0.03	0.03	(0.00)	0.02	0.00	0.06	0.26	0.09	0.04	0.02

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.