# Epsilon Energy Ltd.

**EPSN**

Nasdaq; energy; SIC 1311, Crude Petroleum & Natural Gas; CIK 0001726126

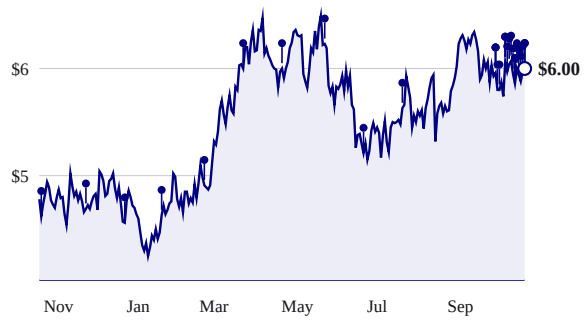
# None

### No letter

6 of 14 inputs computable; 7 are required, with a score in every sleeve

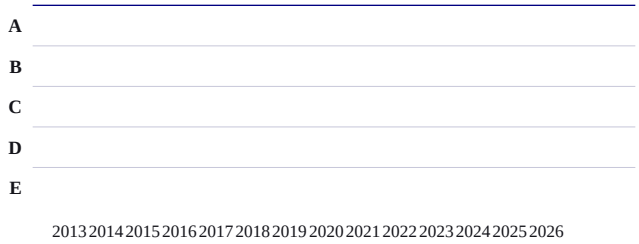
| Scoreboard | |
|---|---|
| **Reliability** | 0.87 AUC<br>filers with $120M to $591M assets; 95% interval 0.83 to 0.90; 206 events, 2020 to 2025 |
| **Peer failure rate** | 1.03% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $120M to $591M assets<br>total assets $228.2M |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | dilution, thin data<br>not computable: distress, fortress balance sheet |
| **Inputs computable** | 6 of 14 |
| **Graded from** | filings received through Mar 27, 2026<br>207 days before the rescan; latest periodic filing 10-Q received Aug 12, 2026 |
| **Last close** | $6.00<br>2026-10-19; market equity $181.6M; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Mar 27, 2026*

Epsilon Energy Ltd. (the "Company" or "Epsilon" or "we") was incorporated under the laws of the Province of Alberta, Canada on March 14, 2005, pursuant to the ABCA. The Company is extra-provincially registered in Ontario pursuant to the Business Corporations Act (Ontario). Epsilon is a North American on-shore focused independent natural gas and oil company engaged in the acquisition, development, gathering and production of natural gas and oil reserves.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 13.7** | | | | | | |
| Gross profitability | not computable | 17.0% | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Return on invested capital | not computable | 6.0% | | | | |
| *one or more required annual facts are missing* | | | | | | |

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| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (15.2%) | (5.0%) | 13.7 | 272 | 2025-12-31 |
| Gross margin stability, five years | not computable | 4.6 pts | | | |
| *five annual gross margins are required; found 0* | | | | | |
| **Solvency, sleeve percentile 48.9** | | | | | |
| Twelve-month failure probability | not computable | 0.06% | | | |
| *four consecutive discrete net-income quarters are required; found 4* | | | | | |
| Altman Z double-prime | 0.41 | 1.48 | 69.1 | 153 | 2025-12-31 |
| Net debt to EBITDA | not computable | 3.63x | | | |
| *one or more required annual facts are missing* | | | | | |
| Interest coverage | not computable | 2.37x | | | |
| *interest expense must exceed $100,000* | | | | | |
| Current ratio | 1.31x | 0.94x | 28.7 | 283 | 2025-12-31 |
| **Growth and financing, sleeve percentile 62.8** | | | | | |
| Revenue growth, three-year compound | (9.7%) | 0.7% | 82.4 | 223 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | (11.8%) | | | |
| *four consecutive annual FCF observations are required; found 0* | | | | | |
| Reinvestment rate | not computable | 59.0% | | | |
| *one or more required annual facts are missing* | | | | | |
| Asset growth, three years | 22.6% | 6.3% | 11.8 | 247 | 2025-12-31 |
| Net share issuance, one year | 37.4% | 0.4% | 94.2 | 157 | 2026-03-26 |

## Warnings

*2 of 7 checks triggered; none of them enters the letter*

| Check | Measured |
|---|---|
| Dilution | split-adjusted year-over-year share growth is 37.4% |
| Thin data | 6 of 14 grade factors are computable; minimum is 7 |

## What the price implies

*at the 2026-10-19 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 26.2% | 15.5% | 65 |
| Distance from 52-week high | (7.6%) | (14.7%) | 76 |
| EBIT to enterprise value | not computable | 4.5% | |
| Free cash flow yield | not computable | 1.4% | |
| Book value to price | 0.71 | 0.53 | 72 |
| Sales to price | 0.28 | 0.45 | 24 |
| Composite equity issuance, five years | 5.8% | (7.2%) | 68 |
| Relative strength against the sector, log excess return | (0.14) | 0.04 | 24 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score None of 9, period end 2025-12-31** | |
| Return on assets above zero | fail |
| Operating cash flow above zero | pass |
| Return on assets improved | fail |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | fail |
| Current ratio improved | fail |
| No new shares issued | fail |
| Gross margin improved | fail |
| Asset turnover improved | pass |

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| Cash, filings, liquidity | |
|---|---|
| Cash and equivalents | $11.2M |
| Operating cash flow, four quarters | $26.0M |
| Months of runway | not finite |
| Days since last periodic filing | 69 (10-Q received Aug 12, 2026) |
| Median daily dollar volume, 63 sessions | $700,364 |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | net income | us-gaap:NetIncomeLoss | -$5.8M | 2025-12-31 | 2026-03-27 | 10-K | 26-035794 |
| 2 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $20.6M | 2025-12-31 | 2026-03-27 | 10-K | 26-035794 |
| 3 | assets | us-gaap:Assets | $228.2M | 2025-12-31 | 2026-03-27 | 10-K | 26-035794 |
| 4 | assets | us-gaap:Assets | $120.5M | 2024-12-31 | 2026-03-27 | 10-K | 26-035794 |
| 5 | current assets | us-gaap:AssetsCurrent | $32.6M | 2025-12-31 | 2026-03-27 | 10-K | 26-035794 |
| 6 | current liabilities | us-gaap:LiabilitiesCurrent | $25.0M | 2025-12-31 | 2026-03-27 | 10-K | 26-035794 |
| 7 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$53.3M | 2025-12-31 | 2026-03-27 | 10-K | 26-035794 |
| 8 | operating income | us-gaap:OperatingIncomeLoss | -$10.5M | 2025-12-31 | 2026-03-27 | 10-K | 26-035794 |
| 9 | book equity | us-gaap:StockholdersEquity | $124.7M | 2025-12-31 | 2026-03-27 | 10-K | 26-035794 |
| 10 | liabilities | us-gaap:Liabilities | $103.5M | 2025-12-31 | 2026-03-27 | 10-K | 26-035794 |
| 11 | operating income | us-gaap:OperatingIncomeLoss | $5.4M | 2023-12-31 | 2025-03-19 | 10-K | 25-003308 |
| 12 | interest expense | us-gaap:InterestExpense | $80,379 | 2023-12-31 | 2024-03-21 | 10-K | 24-003645 |
| 13 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $51.6M | 2025-12-31 | 2026-03-27 | 10-K | 26-035794 |
| 14 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $31.5M | 2024-12-31 | 2026-03-27 | 10-K | 26-035794 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $30.7M | 2023-12-31 | 2025-03-19 | 10-K | 25-003308 |
| 16 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $70.0M | 2022-12-31 | 2024-03-21 | 10-K | 24-003645 |
| 17 | assets | us-gaap:Assets | $124.0M | 2023-12-31 | 2025-03-19 | 10-K | 25-003308 |
| 18 | assets | us-gaap:Assets | $123.9M | 2022-12-31 | 2024-03-21 | 10-K | 24-003645 |
| 19 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 30,239,980 | 2026-03-26 | 2026-03-27 | 10-K | 26-035794 |
| 20 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 22,008,766 | 2025-03-18 | 2025-03-19 | 10-K | 25-003308 |

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