

# ModernGraham Valuation



**Company Name:**

Occidental Petroleum Corporation

Company Ticker OXY

Date of Analysis

8/20/2016

## 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	\$59,134,928,626	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.70	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-153.32%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-57.43	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.53	Fail

*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	1.70	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.25	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		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	-1.33
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$19.32
MG Value based on 0% Growth	-\$11.33
Market Implied Growth Rate	-32.97%

### MG Opinion

Current Price	\$76.54
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

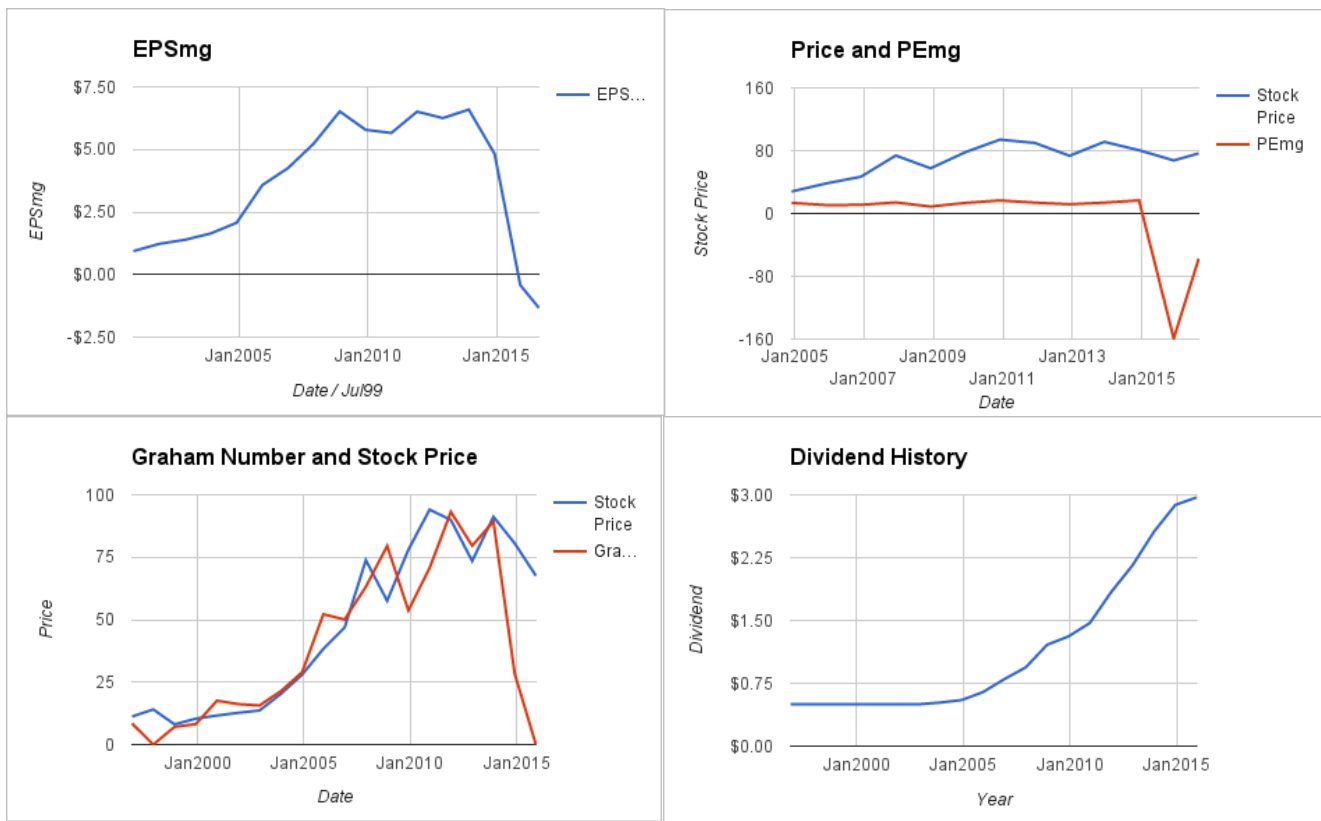
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$13.52
Graham Number	\$0.00
PEmg	-57.43
Current Ratio	1.70
PB Ratio	2.53
Current Dividend	\$3.00
Dividend Yield	3.92%
Number of Consecutive Years of Dividend Growth	14

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[Google Finance](#) [MSN Money](#)  
[Yahoo Finance](#) [Seeking Alpha](#)  
[GuruFocus](#) [SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$0.35	Next Fiscal Year Estimate	-\$1.33
Dec2015	-\$10.23	Dec2015	-\$0.42
Dec2014	\$0.79	Dec2014	\$4.83
Dec2013	\$7.32	Dec2013	\$6.60
Dec2012	\$5.67	Dec2012	\$6.25
Dec2011	\$8.32	Dec2011	\$6.51
Dec2010	\$5.56	Dec2010	\$5.66
Dec2009	\$3.58	Dec2009	\$5.79
Dec2008	\$8.34	Dec2008	\$6.52
Dec2007	\$6.44	Dec2007	\$5.25
Dec2006	\$4.87	Dec2006	\$4.26
Dec2005	\$6.48	Dec2005	\$3.58
Dec2004	\$2.80	Dec2004	\$2.07
Dec2003	\$1.98	Dec2003	\$1.64
Dec2002	\$1.31	Dec2002	\$1.39
Dec2001	\$1.55	Dec2001	\$1.23
Dec2000	\$2.13	Dec2000	\$0.94
Dec1999	\$0.62	<b>Balance Sheet Information</b>	
Dec1998	\$0.50	<b>6/1/2016</b>	
Dec1997	-\$0.72	Total Current Assets	\$8,972,000,000
Dec1996	\$0.87	Total Current Liabilities	\$5,267,000,000
		Long-Term Debt	\$8,331,000,000
		Total Assets	\$42,395,000,000
		Intangible Assets	\$0
		Total Liabilities	\$19,294,000,000
		Shares Outstanding (Diluted Average)	763,600,000





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**

- [Occidental Petroleum Corporation – 2015 Update \\$OXY](#)
- [21 Companies in the Spotlight This Week – June 14, 2014](#)
- [Occidental Petroleum Corp Annual Valuation – 2014 \\$OXY](#)
- [19 Companies in the Spotlight This Week – 3/15/14](#)
- [Occidental Petroleum Corp \(OXY\) Quarterly Valuation](#)

**Other ModernGraham posts about related companies**

- [Chevron Corp Valuation – August 2016 \\$CVX](#)
- [Exxon Mobil Corporation Valuation – August 2016 \\$XOM](#)
- [National-Oilwell Varco Inc Valuation – August 2016 \\$NOV](#)
- [Newfield Exploration Co Valuation – August 2016 \\$NFX](#)
- [EOG Resources Inc Valuation – July 2016 \\$EOG](#)
- [Noble Corp PLC Valuation – July 2016 \\$NE](#)
- [Baker Hughes Inc Valuation – July 2016 \\$BHI](#)
- [Rowan Companies PLC Valuation – July 2016 \\$RDC](#)
- [ConocoPhillips Valuation – July 2016 \\$COP](#)
- [Devon Energy Corp Valuation – July 2016 \\$DVN](#)