

ModernGraham Valuation

Company Name:

Company Ticker MUR
Date of Analysis

Murphy Oil
Corporation

11/18/2015



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	\$5,281,158,882	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.31	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	-101.46%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-126.51	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.88	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	1.31	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	6.47	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.24
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$3.52
MG Value based on 0% Growth	-\$2.06
Market Implied Growth Rate	-67.51%

MG Opinion

Current Price	\$30.70
% of Intrinsic Value	N/A
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$25.75
Graham Number	#NUM!
PEmg	-126.51
Current Ratio	1.31
PB Ratio	0.88
Dividend Yield	4.56%
Number of Consecutive Years of Dividend Growth	17

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$11.21	Next Fiscal Year Estimate	-\$0.24
Dec14	\$5.03	Dec14	\$5.13
Dec13	\$5.94	Dec13	\$5.05
Dec12	\$4.99	Dec12	\$4.87
Dec11	\$4.49	Dec11	\$4.94
Dec10	\$4.13	Dec10	\$5.11
Dec09	\$4.35	Dec09	\$5.43
Dec08	\$9.06	Dec08	\$5.63
Dec07	\$4.01	Dec07	\$3.76
Dec06	\$3.41	Dec06	\$3.36
Dec05	\$4.55	Dec05	\$3.04
Dec04	\$3.77	Dec04	\$2.15
Dec03	\$1.59	Dec03	\$1.32
Dec02	\$0.61	Dec02	\$1.10
Dec01	\$1.81	Dec01	\$1.21
Dec00	\$1.64	Dec00	\$0.86
Dec99	\$0.67	Dec99	\$0.41
Dec98	-\$0.08	Balance Sheet Information Sep15	
Dec97	\$0.74	Total Current Assets	\$2,165,803,000
Dec96	\$0.77	Total Current Liabilities	\$1,651,235,000
Dec95	-\$0.66	Long-Term Debt	\$3,327,689,000
		Total Assets	\$12,627,960,000
		Intangible Assets	\$0
		Total Liabilities	\$6,599,508,000
		Shares Outstanding (Diluted Average)	172,205,000





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:

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ModernGraham
posts about the
company

[26 Companies in the Spotlight This Week – 11/22/14](#)
[Murphy Oil Corporation Annual Valuation – 2014 \\$MUR](#)

Other
ModernGraham
posts about related
companies

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[Western Refining Inc. Valuation – October 2015 Update \\$WNR](#)
[Valero Energy Corporation Valuation – October 2015 Update \\$VLO](#)
[Schlumberger Limited Valuation – October 2015 Update \\$SLB](#)
[National Oilwell Varco Inc. Valuation – October 2015 Update \\$NOV](#)
[Tesoro Corporation Analysis – October 2015 Update \\$TSO](#)
[Cameron International Company Analysis – September 2015 Update \\$CAM](#)
[Halliburton Company Analysis – September 2015 Update \\$HAL](#)
[Kinder Morgan Inc. Analysis – September 2015 Update \\$KMI](#)
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