

ModernGraham Valuation

Company Name:

Apache Corporation

Company Ticker APA

Date of Analysis

1/30/2016



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	\$15,347,380,018	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.88	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	-384.16%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-2.74	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.64	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	1.88	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.59	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	-\$15.54
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$225.31
MG Value based on 0% Growth	-\$132.08
Market Implied Growth Rate	-5.62%

MG Opinion

Current Price	\$42.54
% of Intrinsic Value	N/A
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$36.84
Graham Number	#NUM!
PEmg	-2.74
Current Ratio	1.88
PB Ratio	1.64
Dividend Yield	2.35%
Number of Consecutive Years of Dividend Growth	4

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	-\$42.93	Next Fiscal Year Estimate	-\$15.54
Dec2014	-\$14.06	Dec2014	-\$0.14
Dec2013	\$5.50	Dec2013	\$6.51
Dec2012	\$4.92	Dec2012	\$6.41
Dec2011	\$11.47	Dec2011	\$6.74
Dec2010	\$8.46	Dec2010	\$4.63
Dec2009	-\$0.87	Dec2009	\$3.49
Dec2008	\$2.09	Dec2008	\$5.84
Dec2007	\$8.39	Dec2007	\$7.30
Dec2006	\$7.64	Dec2006	\$6.22
Dec2005	\$7.84	Dec2005	\$5.03
Dec2004	\$5.03	Dec2004	\$3.42
Dec2003	\$3.43	Dec2003	\$2.45
Dec2002	\$1.80	Dec2002	\$1.75
Dec2001	\$2.25	Dec2001	\$1.53
Dec2000	\$2.46	Dec2000	\$1.04
Dec1999	\$0.75	Dec1999	\$0.32
Dec1998	-\$0.58	Balance Sheet Information Sep2015	
Dec1997	\$0.71	Total Current Assets	\$4,079,000,000
Dec1996	\$0.60	Total Current Liabilities	\$2,167,000,000
Dec1995	\$0.00	Long-Term Debt	\$8,777,000,000
		Total Assets	\$27,812,000,000
		Intangible Assets	\$0
		Total Liabilities	\$18,003,000,000
		Shares Outstanding (Diluted Average)	378,000,000





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.

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Other ModernGraham posts about related companies

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- [Cabot Oil & Gas Corp Valuation – December 2015 Update \\$COG](#)
- [Helmerich & Payne Inc Valuation – November 2015 Update \\$HP](#)
- [Murphy Oil Corporation Valuation – November 2015 Update \\$MUR](#)
- [Denbury Resources Inc. Valuation – November 2015 Update \\$DNR](#)
- [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](#)