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.

 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
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	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.

Current Ratio > 1.5	1.88 Pass
Debt to NCA < 1.1	4.59 Fail
Positive EPS for 5 years prior	Fail
Currently Pays Dividend	Pass
EPSmg greater than 5 years ago	Fail
	Debt to NCA < 1.1 Positive EPS for 5 years prior Currently Pays Dividend

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

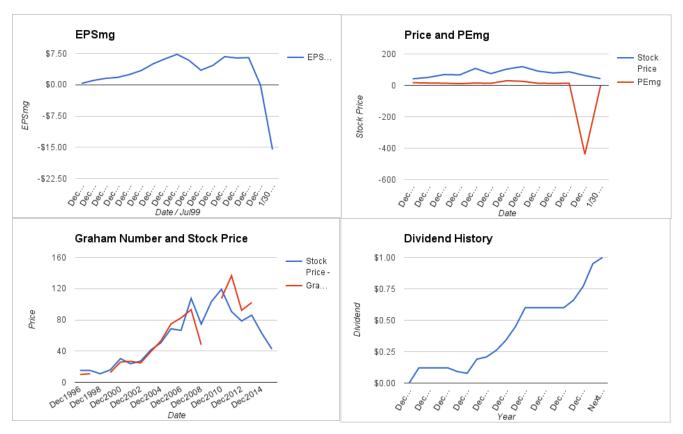
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EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$42.93	Next Fiscal Year Estimate	-\$15.54
Dec2014	-\$14.06	Dec2014	-\$0.14
Dec2013	\$5.50	Dec2013	\$6.51
Dec2012	\$4.92	Dec2012	\$6.41
Dec2011	\$11.47	Dec2011	\$6.74
Dec2010	\$8.46	Dec2010	\$4.63
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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