

ModernGraham Valuation

Company Name:

ConocoPhillips

Company Ticker

COP

Date of Analysis

7/22/2016



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	\$49,287,701,803	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.24	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 beginning and end	21.43%	Fail
5. Earnings Growth	PEmg < 20	62.45	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.30	Pass
7. Moderate Price to Assets			

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	1.24	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	12.98	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	\$0.65
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$9.46
MG Value based on 0% Growth	\$5.55
Market Implied Growth Rate	26.98%

MG Opinion

Current Price	\$40.76
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$40.02
Graham Number	\$0.00
PEmg	62.45
Current Ratio	1.24
PB Ratio	1.30
Current Dividend	\$2.46
Dividend Yield	6.04%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$2.78	Next Fiscal Year Estimate	\$0.65
Dec2015	-\$3.58	Dec2015	\$3.25
Dec2014	\$5.51	Dec2014	\$6.85
Dec2013	\$7.38	Dec2013	\$7.28
Dec2012	\$6.72	Dec2012	\$5.84
Dec2011	\$8.97	Dec2011	\$4.66
Dec2010	\$7.62	Dec2010	\$2.78
Dec2009	\$3.24	Dec2009	\$1.47
Dec2008	-\$11.16	Dec2008	\$1.80
Dec2007	\$7.22	Dec2007	\$7.90
Dec2006	\$9.66	Dec2006	\$7.37
Dec2005	\$9.55	Dec2005	\$5.57
Dec2004	\$5.80	Dec2004	\$3.41
Dec2003	\$3.46	Dec2003	\$2.20
Dec2002	-\$0.31	Dec2002	\$1.56
Dec2001	\$2.82	Dec2001	\$2.33
Dec2000	\$3.63	Dec2000	\$2.02
Dec1999	\$1.20	Balance Sheet Information 3/1/2016	
Dec1998	\$0.46	Total Current Assets	\$10,934,000,000
Dec1997	\$1.81	Total Current Liabilities	\$8,825,000,000
Dec1996	\$2.46	Long-Term Debt	\$27,376,000,000
		Total Assets	\$99,834,000,000
		Intangible Assets	\$0
		Total Liabilities	\$60,745,000,000
		Shares Outstanding (Diluted Average)	1,244,557,000





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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