

ModernGraham Valuation

Company Name:

Noble Energy, Inc.

Company Ticker NBL

Date of Analysis

7/13/2016



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	\$16,212,530,562	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.30	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	-172.80%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-37.60	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.56	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	1.30	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	16.22	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	-0.97
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$14.10
MG Value based on 0% Growth	-\$8.26
Market Implied Growth Rate	-23.05%

MG Opinion

Current Price	\$36.56
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$26.27
Graham Number	\$0.00
PEmg	-37.60
Current Ratio	1.30
PB Ratio	1.56
Current Dividend	\$0.64
Dividend Yield	1.75%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$1.67	Next Fiscal Year Estimate	-\$0.97
Dec2015	-\$6.07	Dec2015	-\$0.15
Dec2014	\$3.27	Dec2014	\$2.68
Dec2013	\$2.69	Dec2013	\$2.16
Dec2012	\$2.86	Dec2012	\$1.90
Dec2011	\$1.27	Dec2011	\$1.58
Dec2010	\$2.05	Dec2010	\$1.83
Dec2009	-\$0.38	Dec2009	\$1.82
Dec2008	\$3.79	Dec2008	\$2.74
Dec2007	\$2.73	Dec2007	\$2.03
Dec2006	\$1.90	Dec2006	\$1.51
Dec2005	\$2.06	Dec2005	\$1.17
Dec2004	\$1.39	Dec2004	\$0.70
Dec2003	\$0.34	Dec2003	\$0.38
Dec2002	\$0.08	Dec2002	\$0.33
Dec2001	\$0.58	Dec2001	\$0.40
Dec2000	\$0.85	Dec2000	\$0.28
Dec1999	\$0.22	Balance Sheet Information 3/1/2016	
Dec1998	-\$0.72	Total Current Assets	\$2,092,000,000
Dec1997	\$0.43	Total Current Liabilities	\$1,606,000,000
Dec1996	\$0.41	Long-Term Debt	\$7,882,000,000
		Total Assets	\$23,413,000,000
		Intangible Assets	\$0
		Total Liabilities	\$13,361,000,000
		Shares Outstanding (Diluted Average)	429,000,000





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.

Recommended Reading:

Other ModernGraham posts about the company

- [27 Companies in the Spotlight This Week – 2/14/15](#)
- [Noble Energy Inc. Annual Valuation – 2015 \\$NBL](#)
- [15 Companies in the Spotlight This Week – 2/8/14](#)
- [Noble Energy Inc. \(NBL\) Annual Valuation](#)

Other ModernGraham posts about related companies

- [Nabors Industries Ltd Valuation – July 2016 \\$NBR](#)
- [Transocean Ltd Valuation – July 2016 \\$RIG](#)
- [ONEOK Inc Valuation – July 2016 \\$OKE](#)
- [Marathon Oil Corp Valuation – July 2016 \\$MRO](#)
- [Hess Corp Valuation – July 2016 \\$HES](#)
- [EQT Corporation Valuation – July 2016 \\$EQT](#)
- [QEP Resources Inc Valuation – July 2016 \\$QEP](#)
- [Suburban Propane Partners Valuation – June 2016 \\$SPH](#)
- [Spectra Energy Corp Valuation – June 2016 \\$SE](#)
- [Helmerich & Payne Inc Valuation – June 2016 \\$HP](#)