

# ModernGraham Valuation

Company Name:

WPX Energy Inc

Company Ticker

WPX

Date of Analysis

9/3/2016



## 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	\$4,545,393,632	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.00	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-26133.33%	Fail
5. Earnings Growth	PEmg < 20	-4.19	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.01	Fail
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	2.00	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.68	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$3.08
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$44.63
MG Value based on 0% Growth	-\$26.16
Market Implied Growth Rate	-6.35%

### MG Opinion

Current Price	\$12.91
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$8.68
Graham Number	\$0.00
PEmg	-4.19
Current Ratio	2.00
PB Ratio	1.01
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

**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	-\$1.19	Next Fiscal Year Estimate	-\$3.08
Dec2015	-\$7.42	Dec2015	-\$3.69
Dec2014	\$0.80	Dec2014	-\$2.17
Dec2013	-\$5.91	Dec2013	-\$3.45
Dec2012	-\$1.12	Dec2012	-\$2.09
Dec2011	-\$1.53	Dec2011	-\$2.26
Dec2010	-\$6.55	Dec2010	-\$2.18
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information 6/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$1,395,000,000
Dec1997	\$0.00	Total Current Liabilities	\$697,000,000
Dec1996	\$0.00	Long-Term Debt	\$2,572,000,000
		Total Assets	\$7,862,000,000
		Intangible Assets	\$0
		Total Liabilities	\$4,004,000,000
		Shares Outstanding (Diluted Average)	300,700,000





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

[WPX Energy Inc. Analysis – 2015 Update \\$WPX](#)  
[19 Companies in the Spotlight This Week – 7/26/14](#)  
[WPX Energy Inc. Annual Valuation – 2014 \\$WPX](#)

Other  
ModernGraham  
posts about related  
companies

[Phillips 66 Valuation – August 2016 \\$PSX](#)  
[FMC Technologies Inc Valuation – August 2016 \\$FTI](#)  
[Marathon Petroleum Corp Valuation – August 2016 \\$MPC](#)  
[Magellan Midstream Partners LP Valuation – August 2016 \\$MMP](#)  
[EnSCO PLC Valuation – August 2016 \\$ESV](#)  
[Enterprise Products Partners LP Valuation – August 2016 \\$EPD](#)  
[Tidewater Inc Valuation – August 2016 \\$TDW](#)  
[Occidental Petroleum Corp Valuation – August 2016 \\$OXY](#)  
[Valero Energy Corporation – August 2016 \\$VLO](#)  
[Chevron Corp Valuation – August 2016 \\$CVX](#)