

ModernGraham Valuation

Company Name:

Company Ticker CRC

Date of Analysis

2/13/2017

California Resources Corp



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	\$768,191,796	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.54	Fail
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	-413333.33%	Fail
5. Earnings Growth	PEmg < 20	-0.73	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	-1.60	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	0.54	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-17.13	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$25.96
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$376.37
MG Value based on 0% Growth	-\$220.63
Market Implied Growth Rate	-4.61%

MG Opinion

Current Price	\$18.86
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$154.76
Graham Number	\$0.00
PEmg	-0.73
Current Ratio	0.54
PB Ratio	-1.60
Current Dividend	\$0.10
Dividend Yield	0.53%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.23	Next Fiscal Year Estimate	-\$25.96
Dec2015	-\$92.70	Dec2015	-\$34.02
Dec2014	-\$37.50	Dec2014	-\$2.93
Dec2013	\$22.40	Dec2013	\$12.27
Dec2012	\$18.00	Dec2012	\$6.00
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
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	Balance Sheet Information 9/1/2016	
Dec1998	\$0.00	Total Current Assets	\$356,000,000
Dec1997	\$0.00	Total Current Liabilities	\$658,000,000
Dec1996	\$0.00	Long-Term Debt	\$5,173,000,000
		Total Assets	\$6,332,000,000
		Intangible Assets	\$0
		Total Liabilities	\$6,825,000,000
		Shares Outstanding (Diluted Average)	41,800,000





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:

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ModernGraham
posts about the
company

#N/A

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[Just Energy Group Inc Valuation – Initial Coverage \\$TSE-JE](#)
[SM Energy Co Valuation – Initial Coverage \\$SM](#)
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