

ModernGraham Valuation

Company Name:

Company Ticker OXY

Date of Analysis

2/27/2017

Occidental Petroleum
Corporation



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	\$49,314,599,552	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.32	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	-160.81%	Fail
5. Earnings Growth	PEmg < 20	-42.25	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.31	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	1.32	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.75	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	-\$1.54
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$22.27
MG Value based on 0% Growth	-\$13.06
Market Implied Growth Rate	-25.37%

MG Opinion

Current Price	\$64.89
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$17.26
Graham Number	\$14.88
PEmg	-42.25
Current Ratio	1.32
PB Ratio	2.31
Current Dividend	\$3.02
Dividend Yield	4.65%
Number of Consecutive Years of Dividend Growth	15

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	\$0.35	Next Fiscal Year Estimate	-\$1.54
Dec2016	-\$0.75	Dec2016	-\$1.47
Dec2015	-\$10.23	Dec2015	-\$0.42
Dec2014	\$0.79	Dec2014	\$4.83
Dec2013	\$7.32	Dec2013	\$6.60
Dec2012	\$5.67	Dec2012	\$6.25
Dec2011	\$8.32	Dec2011	\$6.51
Dec2010	\$5.56	Dec2010	\$5.66
Dec2009	\$3.58	Dec2009	\$5.79
Dec2008	\$8.34	Dec2008	\$6.52
Dec2007	\$6.44	Dec2007	\$5.25
Dec2006	\$4.87	Dec2006	\$4.26
Dec2005	\$6.48	Dec2005	\$3.58
Dec2004	\$2.80	Dec2004	\$2.07
Dec2003	\$1.98	Dec2003	\$1.64
Dec2002	\$1.31	Dec2002	\$1.39
Dec2001	\$1.55	Dec2001	\$1.23
Dec2000	\$2.13	Balance Sheet Information 12/1/2016	
Dec1999	\$0.62	Total Current Assets	\$8,428,000,000
Dec1998	\$0.50	Total Current Liabilities	\$6,362,000,000
Dec1997	-\$0.72	Long-Term Debt	\$9,819,000,000
		Total Assets	\$43,109,000,000
		Intangible Assets	\$0
		Total Liabilities	\$21,612,000,000
		Shares Outstanding (Diluted Average)	763,800,000





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

[Occidental Petroleum Corporation – 2015 Update \\$OXY](#)
[21 Companies in the Spotlight This Week – June 14, 2014](#)
[Occidental Petroleum Corp Annual Valuation – 2014 \\$OXY](#)
[19 Companies in the Spotlight This Week – 3/15/14](#)
[Occidental Petroleum Corp \(OXY\) Quarterly Valuation](#)

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[Denbury Resources Inc Valuation – February 2017 \\$DNR](#)
[California Resources Corp Valuation – Initial Coverage \\$CRC](#)
[Crew Energy Inc Valuation – Initial Coverage \\$TSE:CR](#)
[Exxon Mobil Corp Valuation – February 2017 \\$XOM](#)
[Superior Energy Services Inc Valuation – Initial Coverage \\$SPN](#)
[2017 Oil & Gas Industry Review](#)
[Spartan Energy Corp Valuation – Initial Coverage \\$TSE:SPE](#)
[Crescent Point Energy Corp Valuation – Initial Coverage \\$TSE:CPG](#)
[Tesoro Corporation Valuation – February 2017 \\$TSO](#)