ModernGraham Valuation

Company Name:

Chevron Corporation

Company Ticker	CVX
Date of Analysis	3/15/2017

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	$200,288,248,662	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.93	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	-78.33%	Fail
6. Moderate PEmg Ratio	PEmg < 20	29.21	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.39	Pass

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	0.93	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-16.25	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	$3.69
MG Growth Estimate	-4.25%
MG Value	**$0.00**
MG Value based on 3% Growth	$53.50
MG Value based on 0% Growth	$31.36
Market Implied Growth Rate	10.35%

MG Opinion

Current Price	$107.76
% of Intrinsic Value	N/A
Opinion	**Overvalued**
MG Grade	**C**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$45.33
Graham Number	$78.37
PEmg	29.21
Current Ratio	0.93
PB Ratio	1.39
Current Dividend	$4.29
Dividend Yield	3.98%
Number of Consecutive Years of Dividend Growth	20

EPS History		EPSmg History	
Next Fiscal Year Estimate	$3.54	Next Fiscal Year Estimate	$3.69
Dec2016	-$0.27	Dec2016	$4.96
Dec2015	$2.45	Dec2015	$8.41
Dec2014	$10.14	Dec2014	$11.43
Dec2013	$11.09	Dec2013	$11.55
Dec2012	$13.32	Dec2012	$11.40
Dec2011	$13.44	Dec2011	$10.20
Dec2010	$9.48	Dec2010	$8.58
Dec2009	$5.24	Dec2009	$8.09
Dec2008	$11.67	Dec2008	$9.08
Dec2007	$8.77	Dec2007	$7.38
Dec2006	$7.80	Dec2006	$6.10
Dec2005	$6.54	Dec2005	$4.72
Dec2004	$6.28	Dec2004	$3.60
Dec2003	$3.48	Dec2003	$2.25
Dec2002	$0.53	Dec2002	$1.66
Dec2001	$1.55	Dec2001	$2.19
Dec2000	$3.99	**Balance Sheet Information**	**12/1/2016**
Dec1999	$1.57	Total Current Assets	$29,619,000,000
Dec1998	$1.02	Total Current Liabilities	$31,785,000,000
Dec1997	$2.48	Long-Term Debt	$35,193,000,000
		Total Assets	$260,078,000,000
		Intangible Assets	$4,581,000,000
		Total Liabilities	$114,522,000,000
		Shares Outstanding (Diluted Average)	1,873,000,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History
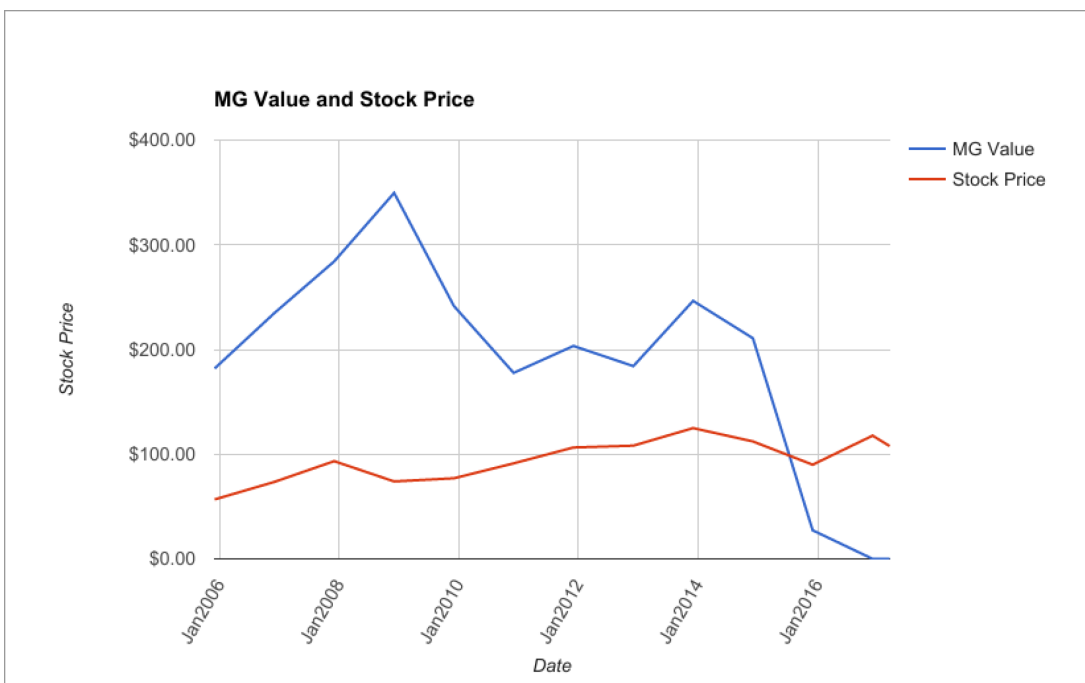
Disclaimer:

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	5 Overvalued Dow Components – February 2017 Chevron Corp Valuation – August 2016 $CVX 5 Most Overvalued Dow Components – July 2015 5 Most Overvalued Dow Components – June 2015 Chevron Corporation Analysis – 2015 Annual Update $CVX
Other ModernGraham posts about related companies	CARBO Ceramics Inc Valuation – Initial Coverage $CRR Concho Resources Inc Valuation – Initial Coverage $CXO Murphy Oil Corporation Valuation – March 2017 $MUR Suncor Energy Inc Valuation – Initial Coverage $TSE:SU CST Brands Inc Valuation – Initial Coverage $CST Valero Energy Corp Valuation – February 2017 $VLO Tidewater Inc Valuation – February 2017 $TDW Occidental Petroleum Corp Valuation – February 2017 $OXY Carrizo Oil & Gas Inc Valuation – Initial Coverage $CRZO Denbury Resources Inc Valuation – February 2017 $DNR