

ModernGraham Valuation

Company Name:

Apache Corporation

Company Ticker APA

Date of Analysis

4/11/2017



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	\$20,817,070,238	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.76	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	-423.55%	Fail
5. Earnings Growth	PEmg < 20	-5.88	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.24	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	1.76	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	6.11	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	-\$9.07
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$131.57
MG Value based on 0% Growth	-\$77.13
Market Implied Growth Rate	-7.19%

MG Opinion

Current Price	\$53.36
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$34.41
Graham Number	\$0.00
PEmg	-5.88
Current Ratio	1.76
PB Ratio	3.24
Current Dividend	\$1.00
Dividend Yield	1.87%
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	-\$0.21	Next Fiscal Year Estimate	-\$9.07
Dec2016	-\$3.71	Dec2016	-\$11.83
Dec2015	-\$27.40	Dec2015	-\$12.42
Dec2014	-\$21.76	Dec2014	-\$2.71
Dec2013	\$5.50	Dec2013	\$6.51
Dec2012	\$4.92	Dec2012	\$6.41
Dec2011	\$11.47	Dec2011	\$6.74
Dec2010	\$8.46	Dec2010	\$4.63
Dec2009	-\$0.87	Dec2009	\$3.49
Dec2008	\$2.09	Dec2008	\$5.84
Dec2007	\$8.39	Dec2007	\$7.30
Dec2006	\$7.64	Dec2006	\$6.22
Dec2005	\$7.84	Dec2005	\$5.03
Dec2004	\$5.03	Dec2004	\$3.42
Dec2003	\$3.43	Dec2003	\$2.45
Dec2002	\$1.80	Dec2002	\$1.75
Dec2001	\$2.25	Dec2001	\$1.53
Dec2000	\$2.46	Balance Sheet Information 12/1/2016	
Dec1999	\$0.75	Total Current Assets	\$3,241,000,000
Dec1998	-\$0.58	Total Current Liabilities	\$1,843,000,000
Dec1997	\$0.71	Long-Term Debt	\$8,544,000,000
		Total Assets	\$22,519,000,000
		Intangible Assets	\$0
		Total Liabilities	\$16,281,000,000
		Shares Outstanding (Diluted Average)	379,000,000





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

- [Apache Corporation Valuation – January 2016 Update \\$APA](#)
- [32 Companies in the Spotlight This Week – 12/6/14](#)
- [Apache Corporation Annual Valuation – 2014 \\$APA](#)

Other
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posts about related
companies

- [Cenovus Energy Inc Valuation – Initial Coverage \\$TSE:CVE](#)
- [Cabot Oil & Gas Corp Valuation – March 2017 \\$COG](#)
- [Chevron Corporation Valuation – March 2017 \\$CVX](#)
- [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](#)