

ModernGraham Valuation

Company Name:

Chevron Corporation

Company Ticker CVX

Date of Analysis

2/23/2018



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	\$213,850,502,584	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.04	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	-68.25%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	30.47	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.45	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	1.04	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	28.92	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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.70
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$53.58
MG Value based on 0% Growth	\$31.41
Market Implied Growth Rate	10.98%

MG Opinion

Current Price	\$112.59
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$41.70
Graham Number	\$0.00
PEmg	30.47
Current Ratio	1.04
PB Ratio	1.45
Current Dividend	\$4.32
Dividend Yield	3.84%
Number of Consecutive Years of Dividend Growth	20

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	\$4.36	Next Fiscal Year Estimate	\$3.70
Dec2017	\$4.85	Dec2017	\$4.13
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	Balance Sheet Information 9/1/2017	
Dec2000	\$3.99	Total Current Assets	\$29,398,000,000
Dec1999	\$1.57	Total Current Liabilities	\$28,223,000,000
Dec1998	\$1.02	Long-Term Debt	\$33,983,000,000
		Total Assets	\$255,160,000,000
		Intangible Assets	\$4,531,000,000
		Total Liabilities	\$108,447,000,000
		Shares Outstanding (Diluted Average)	1,895,879,000





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

- [Chevron Corporation Valuation – March 2017 \\$CVX](#)
- [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](#)

Other ModernGraham posts about related companies

- [Seven Generations Energy Ltd Valuation – Initial Coverage \\$TSE:VII](#)
- [Pioneer Natural Resources Valuation – September 2017 \\$PXD](#)
- [Gulfport Energy Corp Valuation – Initial Coverage \\$GPOR](#)
- [Schlumberger Limited Valuation – July 2017 \\$SLB](#)
- [Tesco Corporation \(USA\) Valuation – Initial Coverage \\$TESO](#)
- [Southwestern Energy Company Valuation – July 2017 \\$SWN](#)
- [Apache Corp Valuation – April 2017 \\$APA](#)
- [Anadarko Petroleum Co Valuation – April 2017 \\$APC](#)
- [Cenovus Energy Inc Valuation – Initial Coverage \\$TSE:CVE](#)
- [Cabot Oil & Gas Corp Valuation – March 2017 \\$COG](#)