

ModernGraham Valuation

Company Name:

Devon Energy Corp

Company Ticker DVN

Date of Analysis

3/30/2018



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	\$16,724,719,482	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.45	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	-99.44%	Fail
5. Earnings Growth	PEmg < 20	-8.42	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.81	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	1.45	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	6.97	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	-\$3.77
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$54.71
MG Value based on 0% Growth	-\$32.07
Market Implied Growth Rate	-8.46%

MG Opinion

Current Price	\$31.79
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$30.79
Graham Number	\$13.80
PEmg	-8.42
Current Ratio	1.45
PB Ratio	1.81
Current Dividend	\$0.24
Dividend Yield	0.75%
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		Next Fiscal Year Estimate	-\$3.77
Dec2017	\$0.48	Dec2017	-\$5.82
Dec2016	\$1.70	Dec2016	-\$8.42
Dec2015	-\$2.09	Dec2015	-\$8.86
Dec2014	-\$31.72	Dec2014	\$3.37
Dec2013	\$3.91	Dec2013	\$3.09
Dec2012	-\$0.06	Dec2012	\$3.82
Dec2011	-\$0.52	Dec2011	\$5.27
Dec2010	\$11.25	Dec2010	\$2.47
Dec2009	\$10.31	Dec2009	-\$0.29
Dec2008	-\$5.58	Dec2008	\$2.91
Dec2007	-\$4.85	Dec2007	\$6.46
Dec2006	\$8.00	Dec2006	\$5.22
Dec2005	\$6.34	Dec2005	\$4.13
Dec2004	\$6.26	Dec2004	\$2.83
Dec2003	\$4.38	Dec2003	\$1.81
Dec2002	\$4.04	Dec2002	\$0.53
Dec2001	\$0.31	Balance Sheet Information 12/1/2017	
Dec2000	\$0.36	Total Current Assets	\$4,791,000,000
Dec2000	\$2.75	Total Current Liabilities	\$3,315,000,000
Dec1999	-\$0.84	Long-Term Debt	\$10,291,000,000
Dec1998	-\$1.66	Total Assets	\$30,241,000,000
		Intangible Assets	\$3,880,000,000
		Total Liabilities	\$20,987,000,000
		Shares Outstanding (Diluted Average)	526,000,000





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.

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[ModernGraham Valuation: Devon Energy Corp \(DVN\)](#)

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[EQT Corporation Valuation – March 2018 \\$EQT](#)
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