

ModernGraham Valuation

Company Name:

ONEOK, Inc.

Company Ticker OKE

Date of Analysis

3/27/2018



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	\$23,389,721,549	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.66	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	15.33%	Fail
5. Earnings Growth	PEmg < 20	32.74	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.00	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	0.66	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-8.96	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.74
MG Growth Estimate	2.35%
MG Value	\$22.95
MG Value based on 3% Growth	\$25.23
MG Value based on 0% Growth	\$14.79
Market Implied Growth Rate	12.12%

MG Opinion

Current Price	\$56.96
% of Intrinsic Value	248.15%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$24.62
Graham Number	\$27.88
PEmg	32.74
Current Ratio	0.66
PB Ratio	4.00
Current Dividend	\$2.72
Dividend Yield	4.78%
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		Next Fiscal Year Estimate	\$1.74
Dec2017	\$2.43	Dec2017	\$1.39
Dec2016	\$1.29	Dec2016	\$1.44
Dec2015	\$1.66	Dec2015	\$1.38
Dec2014	\$1.16	Dec2014	\$1.50
Dec2013	\$1.49	Dec2013	\$1.52
Dec2012	\$1.27	Dec2012	\$1.62
Dec2011	\$1.71	Dec2011	\$1.55
Dec2010	\$1.68	Dec2010	\$1.47
Dec2009	\$1.55	Dec2009	\$1.50
Dec2008	\$1.44	Dec2008	\$1.55
Dec2007	\$1.48	Dec2007	\$1.52
Dec2006	\$1.40	Dec2006	\$1.48
Dec2005	\$1.34	Dec2005	\$1.39
Dec2004	\$2.53	Dec2004	\$0.78
Dec2003	\$1.15	Dec2003	\$0.59
Dec2002	\$0.61	Dec2002	\$0.58
Dec2001	\$0.70	Balance Sheet Information	
Dec2000	\$0.43	12/1/2017	
Aug1999	\$0.62	Total Current Assets	\$1,764,458,000
Aug1998	\$0.56	Total Current Liabilities	\$2,667,335,000
	\$0.56	Long-Term Debt	\$8,091,629,000
		Total Assets	\$16,845,937,000
		Intangible Assets	\$993,460,000
		Total Liabilities	\$11,318,070,000
		Shares Outstanding (Diluted Average)	388,073,000





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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[Helmerich & Payne Inc Valuation – March 2018 \\$HP](#)
[Chesapeake Energy Corp Valuation – March 2018 \\$CHK](#)
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