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	
5. Earnings Growth	beginning and end	15.33% Fail
Moderate PEmg Ratio	PEmg < 20	32.74 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.00 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

 Sufficiently S 	trong Financial Condition	Current Ratio > 1.5	0.66	Fail
2. Sufficiently S	trong Financial Condition	Debt to NCA < 1.1	-8.96	Fail
3. Earnings Sta	bility	Positive EPS for 5 years prior		Pass
4. Dividend Red	cord	Currently Pays Dividend		Pass
5. Earnings Gro	owth	EPSmg greater than 5 years ago		Pass

Score

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

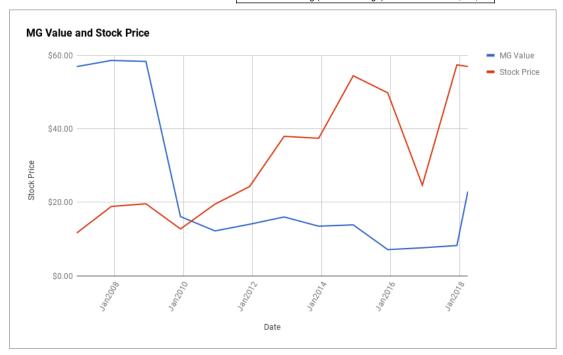
Stage 3: Information for Further Research

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	45
Growth	15

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EPS History		EPSmg History	
Next Fiscal Year		l <u>_</u> <u>_</u>	·
Estimate	•	Next Fiscal Year Estimate	\$1.74
Dec2017	\$1.29	Dec2017	\$1.39
Dec2016	\$1.66	Dec2016	\$1.44
Dec2015	\$1.16	Dec2015	\$1.38
Dec2014	\$1.49	Dec2014	\$1.50
Dec2013	\$1.27	Dec2013	\$1.52
Dec2012	\$1.71	Dec2012	\$1.62
Dec2011	\$1.68	Dec2011	\$1.55
Dec2010	\$1.55	Dec2010	\$1.47
Dec2009	\$1.44	Dec2009	\$1.50
Dec2008	\$1.48	Dec2008	\$1.55
Dec2007	\$1.40	Dec2007	\$1.52
Dec2006	\$1.34	Dec2006	\$1.48
Dec2005	\$2.53	Dec2005	\$1.39
Dec2004	\$1.15	Dec2004	\$0.78
Dec2003	\$0.61	Dec2003	\$0.59
Dec2002	\$0.70	Dec2002	\$0.58
Dec2001	\$0.43	Balance Sheet Information	12/1/2017
Dec2000	\$0.62	Total Current Assets	\$1,764,458,000
Aug1999	\$0.56	Total Current Liabilities	\$2,667,335,000
Aug1998	\$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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16 Companies in the Spotlight This Week - 3/1/14

OneOK Inc. (OKE) Annual Valuation

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<u>Hess Corp Valuation – March 2018 \$HES</u>

<u>Cimarex Energy Co Valuation – Initial Coverage \$XEC</u>

EQT Corporation Valuation - March 2018 \$EQT

<u>Helmerich & Payne Inc Valuation – March 2018 \$HP</u>

Chesapeake Energy Corp Valuation – March 2018 \$CHK

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Exxon Mobil Corp Valuation - February 2018 \$XOM

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Seven Generations Energy Ltd Valuation - Initial Coverage \$TSE:VII