

ModernGraham Valuation

Company Name:

Cimarex Energy Co

Company Ticker XEC

Date of Analysis

3/25/2018



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	\$8,879,268,868	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.38	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	-33.78%	Fail
5. Earnings Growth	PEmg < 20	-87.22	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.40	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	1.38	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.81	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	-\$1.07
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$15.50
MG Value based on 0% Growth	-\$9.08
Market Implied Growth Rate	-47.86%

MG Opinion

Current Price	\$93.21
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$16.43
Graham Number	\$55.95
PEmg	-87.22
Current Ratio	1.38
PB Ratio	3.40
Current Dividend	\$0.32
Dividend Yield	0.34%
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	
Dec2017	\$5.17	Dec2017	-\$1.07
Dec2016	\$5.19	Dec2016	-\$3.76
Dec2015	-\$4.38	Dec2015	-\$6.53
Dec2014	-\$27.75	Dec2014	-\$5.40
Dec2013	\$6.00	Dec2013	\$5.81
Dec2012	\$6.47	Dec2012	\$5.11
Dec2011	\$4.07	Dec2011	\$3.08
Dec2010	\$6.15	Dec2010	\$1.85
Dec2009	\$6.70	Dec2009	-\$0.21
Dec2008	-\$3.82	Dec2008	-\$2.57
Dec2007	-\$11.22	Dec2007	-\$0.93
Dec2006	\$4.09	Dec2006	\$4.07
Dec2005	\$4.11	Dec2005	\$3.78
Dec2004	\$4.90	Dec2004	\$3.21
Dec2003	\$3.59	Dec2003	\$2.05
Dec2002	\$2.22	Dec2002	\$1.09
Dec2001	\$1.31	Dec2002	\$0.44
Dec2000	\$0.00	Balance Sheet Information	
Dec1999	\$0.00	12/1/2017	
Dec1998	\$0.00	Total Current Assets	\$935,635,000
		Total Current Liabilities	\$679,574,000
		Long-Term Debt	\$1,486,920,000
		Total Assets	\$5,042,639,000
		Intangible Assets	\$620,232,000
		Total Liabilities	\$2,474,361,000
		Shares Outstanding (Diluted Average)	93,641,000





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

#N/A

Other
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posts about related
companies

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[Helmerich & Payne Inc Valuation – March 2018 \\$HP](#)
[Chesapeake Energy Corp Valuation – March 2018 \\$CHK](#)
[Williams Companies Inc Valuation – March 2018 \\$WMB](#)
[Exxon Mobil Corp Valuation – February 2018 \\$XOM](#)
[Chevron Corp Valuation – February 2018 \\$CVX](#)
[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](#)