ModernGraham Valuation

Company Name:

Andeavor

Company Ticker ANDV

Date of Analysis 5/15/2018



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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$21,343,031,583 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.41 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10	

years using 3 year averages at beginning and end 5. Earnings Growth 839.00% Pass 6. Moderate PEmg Ratio PEmg < 20 16.33 Pass 2.26 Pass 7. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50

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

 Sufficiently Strong Financial Condition Current Ratio > 1.5 1.41 Fail 2. Sufficiently Strong Financial Condition Debt to NCA < 1.1 4.50 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 Pass

Score

Suitability

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$8.65
MG Growth Estimate	13.88%
MG Value	\$313.63
MG Value based on 3% Growth	\$125.39
MG Value based on 0% Growth	\$73.50
Market Implied Growth Rate	3.92%

MG Opinion

Current Price \$141.23 % of Intrinsic Value 45.03%

Opinion Undervalued MG Grade

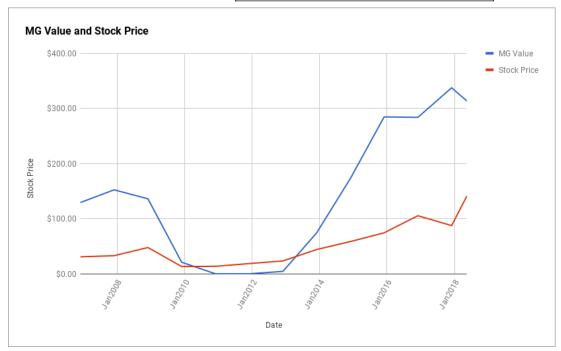
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$83.22
Graham Number	\$103.18
PEmg	16.33
Current Ratio	1.41
PB Ratio	2.26
Current Dividend	\$2.28
Dividend Yield	1.61%
Number of Consecutive Years of Dividend	
Growth	6

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Morningstar **Google Finance** MSN Money Yahoo Finance Seeking Alpha **GuruFocus** SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$8.65
Dec2017	\$10.81	Dec2017	\$8.77
Dec2016	\$6.12	Dec2016	\$7.37
Dec2015	\$12.36	Dec2015	\$7.39
Dec2014	\$6.44	Dec2014	\$4.49
Dec2013	\$3.00	Dec2013	\$3.07
Dec2012	\$5.25	Dec2012	\$2.72
Dec2011	\$3.81	Dec2011	\$1.55
Dec2010	-\$0.21	Dec2010	\$0.98
Dec2009	-\$1.01	Dec2009	\$2.01
Dec2008	\$2.00	Dec2008	\$3.53
Dec2007	\$4.06	Dec2007	\$3.96
Dec2006	\$5.73	Dec2006	\$3.36
Dec2005	\$3.60	Dec2005	\$1.89
Dec2004	\$2.38	Dec2004	\$0.95
Dec2003	\$0.58	Dec2003	\$0.33
Dec2002	-\$0.97	Dec2002	\$0.23
Dec2001	\$1.05	Balance Sheet Information	3/1/2018
Dec2000	\$0.88	Total Current Assets	\$6,409,000,000
Dec1999	\$0.96	Total Current Liabilities	\$4,546,000,000
Dec1998	-\$0.43	Long-Term Debt	\$8,386,000,000
		Total Assets	\$28,841,000,000
		Intangible Assets	\$4,980,000,000
		Total Liabilities	\$19,209,000,000
		Shares Outstanding (Diluted Average)	153,800,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author held a long position in ANDV 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

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