# **ModernGraham Valuation**

## **Company Name:**

**Newfield Exploration** Co.



Company Ticker

Date of Analysis 5/2/2018

#### 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	\$5,570,832,706 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.91 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	
5. Earnings Growth	beginning and end	-149.73% Fail
6. Moderate PEmg Ratio	PEmg < 20	-12.13 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.96 Fail

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	0.91 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-33.81 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Fail
4. Dividend Record	Currently Pays Dividend	Fail
5. Earnings Growth	EPSmg greater than 5 years ago	Fail
	Score	

Suitability

Defensive No Nο Enterprising

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$2.30
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$33.35
MG Value based on 0% Growth	-\$19.55
Market Implied Growth Rate	-10.31%

MG Opinion

\$27.89 **Current Price** % of Intrinsic Value N/A

Opinion Overvalued

MG Grade

## Stage 3: Information for Further Research

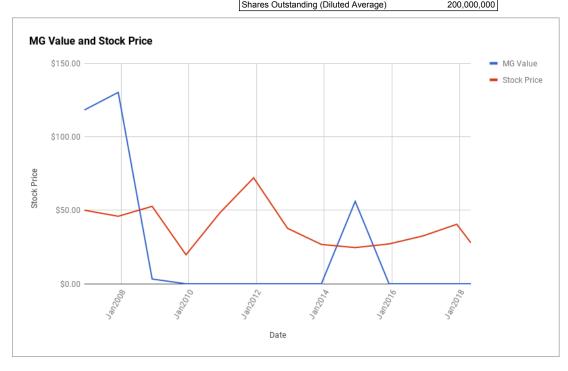
Net Current Asset Value (NCAV)	-\$14.04
Graham Number	\$19.43
PEmg	-12.13
Current Ratio	0.91
PB Ratio	3.96
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	
Growth	0

Morningstar

Useful Links: ModernGraham tagged articles

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

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.38	Next Fiscal Year Estimate	-\$2.30
Dec2017	\$2.13	Dec2017	-\$4.29
Dec2016	-\$6.36	Dec2017	-\$4.28 -\$6.93
Dec2015	-\$0.36 -\$21.18	Dec2015	-\$6.04
Dec2014	-\$21.16 \$6.52	Dec2015	-\$6.04 \$1.46
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Dec2013	\$0.94	Dec2013	-\$0.99
Dec2012	-\$8.80	Dec2012	-\$1.84
Dec2011	\$3.99	Dec2011	\$1.38
Dec2010	\$3.91	Dec2010	\$0.38
Dec2009	-\$4.18	Dec2009	-\$0.68
Dec2008	-\$2.88	Dec2008	\$1.41
Dec2007	\$3.44	Dec2007	\$3.38
Dec2006	\$4.58	Dec2006	\$3.07
Dec2005	\$2.73	Dec2005	\$2.16
Dec2004	\$2.63	Dec2004	\$1.78
Dec2003	\$1.78	Dec2003	\$1.29
Dec2002	\$0.81	Dec2002	\$0.90
Dec2001	\$1.28	Balance Sheet Information	12/1/2017
Dec2000	\$1.47	Total Current Assets	\$746,000,000
Dec1999	\$0.40	Total Current Liabilities	\$818,000,000
Dec1998	-\$0.78	Long-Term Debt	\$2,434,000,000
		Total Assets	\$4,961,000,000
		Intangible Assets	\$0
		Total Liabilities	\$3,553,000,000
		Shares Outstanding (Diluted Average)	200,000,000





#### 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.

#### **Recommended Reading:**

Other ModernGraham posts about the company Newfield Exploration Co Valuation - December 2016 \$NFX

5 of the Worst Stocks to Invest In – December 2016

Newfield Exploration Co Valuation – August 2016 \$NFX

5 Speculative and Overvalued Companies to Avoid – June 2015

Newfield Exploration Company Analysis – 2015 Annual Update \$NFX

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Baker Hughes, a GE Co Valuation – April 2018 \$BHGE

Marathon Petroleum Corp Valuation – April 2018 \$MPC

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EOG Resources Inc Valuation – April 2018 \$EOG

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Devon Energy Corp Valuation - March 2018 \$DVN

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