

# ModernGraham Valuation

Newfield Exploration  
Co.



Company Name:

Company Ticker NFX

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.*

1. 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 beginning and end	-149.73%	Fail
5. Earnings Growth	PEmg < 20	-12.13	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.96	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	0.91	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 Score		Fail

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

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

### MG Opinion

Current Price	\$27.89
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## 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

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[Morningstar](#)  
[MSN Money](#)  
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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	Dec2016	-\$6.93
Dec2015	-\$21.18	Dec2015	-\$6.04
Dec2014	\$6.52	Dec2014	\$1.46
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	<b>Balance Sheet Information 12/1/2017</b>	
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  
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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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[TechnipFMC PLC Valuation – April 2018 \\$FTI](#)  
[EOG Resources Inc Valuation – April 2018 \\$EOG](#)  
[ConocoPhillips Valuation – April 2018 \\$COP](#)  
[Devon Energy Corp Valuation – March 2018 \\$DVN](#)  
[Noble Energy Inc Valuation – March 2018 \\$NBL](#)  
[ONEOK Inc Valuation – March 2018 \\$OKE](#)  
[Marathon Oil Corp Valuation – March 2018 \\$MRO](#)