

ModernGraham Valuation

Company Name:

Apache Corporation

Company Ticker APA

Date of Analysis

6/24/2018



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	\$17,105,227,393	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.39	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	-95.75%	Fail
5. Earnings Growth	PEmg < 20	-9.80	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.94	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	1.39	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.71	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	-\$4.57
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$66.22
MG Value based on 0% Growth	-\$38.82
Market Implied Growth Rate	-9.15%

MG Opinion

Current Price	\$44.76
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

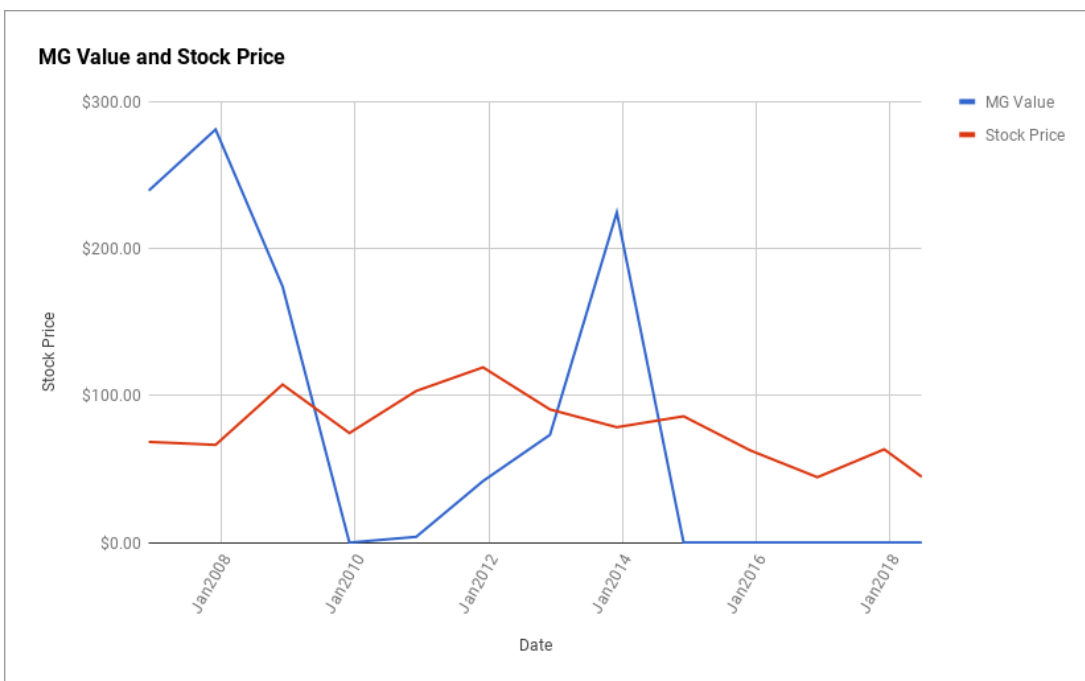
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$25.18
Graham Number	\$22.05
PEmg	-9.80
Current Ratio	1.39
PB Ratio	1.94
Current Dividend	\$1.00
Dividend Yield	2.23%
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	\$1.11	Dec2017	-\$4.57
Dec2016	\$3.41	Dec2016	-\$7.87
Dec2015	-\$3.71	Dec2015	-\$11.83
Dec2014	-\$27.40	Dec2014	-\$12.42
Dec2013	-\$21.76	Dec2013	-\$2.71
Dec2012	\$5.50	Dec2012	\$6.51
Dec2011	\$4.92	Dec2011	\$6.41
Dec2010	\$11.47	Dec2010	\$6.74
Dec2009	\$8.46	Dec2009	\$4.63
Dec2008	-\$0.87	Dec2008	\$3.49
Dec2007	\$2.09	Dec2007	\$5.84
Dec2006	\$8.39	Dec2006	\$7.30
Dec2005	\$7.64	Dec2005	\$6.22
Dec2004	\$7.84	Dec2004	\$5.03
Dec2003	\$5.03	Dec2003	\$3.42
Dec2002	\$3.43	Dec2002	\$2.45
Dec2001	\$1.80	Dec2001	\$1.75
Dec2000	\$2.25	Balance Sheet Information 3/1/2018	
Dec1999	\$2.46	Total Current Assets	\$3,253,000,000
Dec1998	\$0.75	Total Current Liabilities	\$2,342,000,000
	-\$0.58	Long-Term Debt	\$7,936,000,000
		Total Assets	\$21,791,000,000
		Intangible Assets	\$0
		Total Liabilities	\$12,922,000,000
		Shares Outstanding (Diluted Average)	384,000,000





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

- [Apache Corp Valuation – April 2017 \\$APA](#)
- [Apache Corporation Valuation – January 2016 Update \\$APA](#)
- [32 Companies in the Spotlight This Week – 12/6/14](#)
- [Apache Corporation Annual Valuation – 2014 \\$APA](#)

Other
ModernGraham
posts about related
companies

- [Cabot Oil & Gas Corp Valuation – June 2018 \\$COG](#)
- [Concho Resources Inc Valuation – June 2018 \\$CXO](#)
- [Vlaero Energy Corp Valuation – June 2018 \\$VLO](#)
- [Occidental Petroleum Corp Valuation – June 2018 \\$OXY](#)
- [Andeavor Valuation – May 2018 \\$ANDV](#)
- [Halliburton Co Valuation – May 2018 \\$HAL](#)
- [National Oilwell Varco Inc Valuation – May 2018 \\$NOV](#)
- [Newfield Exploration Co Valuation – May 2018 \\$NFX](#)
- [Kinder Morgan Inc Valuation – May 2018 \\$KMI](#)
- [Range Resources Corp Valuation – May 2018 \\$RRC](#)