

ModernGraham Valuation

Anadarko Petroleum Corporation



Company Name:

Company Ticker APC

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	\$38,173,194,376	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.17	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	47.30%	Pass
5. Earnings Growth	PEmg < 20	-23.54	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.27	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	1.17	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	19.65	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	-\$3.15
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$45.66
MG Value based on 0% Growth	-\$26.76
Market Implied Growth Rate	-16.02%

MG Opinion

Current Price	\$74.11
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

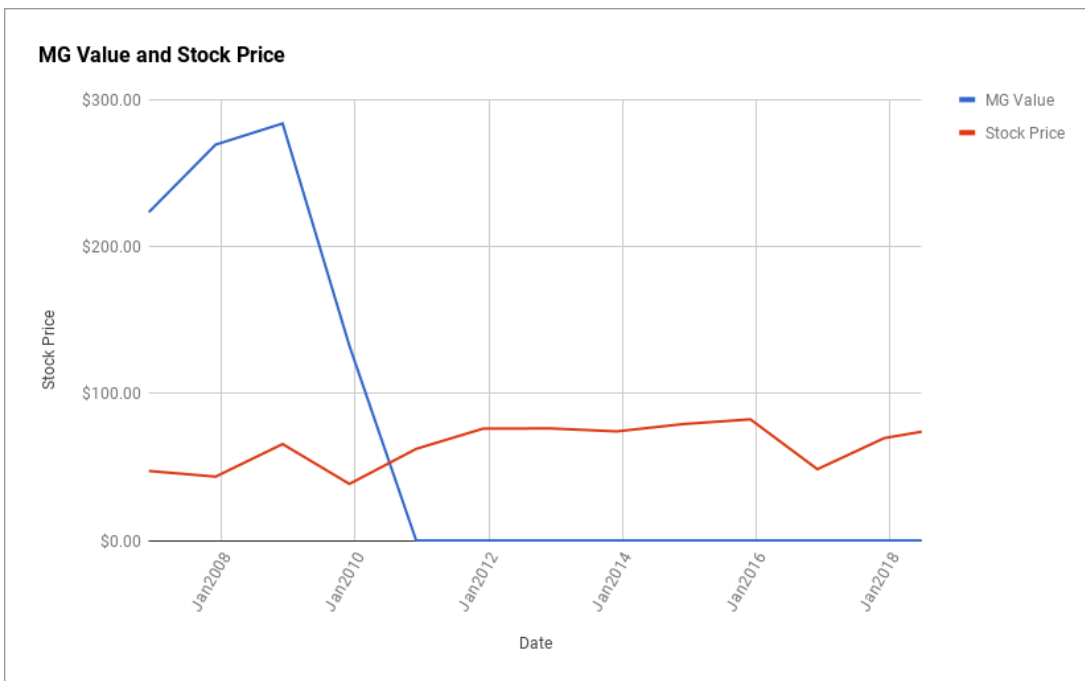
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$45.84
Graham Number	\$18.32
PEmg	-23.54
Current Ratio	1.17
PB Ratio	3.27
Current Dividend	\$0.20
Dividend Yield	0.27%
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	\$0.74	Next Fiscal Year Estimate	-\$3.15
Dec2017	-\$0.85	Dec2017	-\$4.85
Dec2016	-\$5.90	Dec2016	-\$5.65
Dec2015	-\$13.18	Dec2015	-\$4.73
Dec2014	-\$3.47	Dec2014	-\$0.40
Dec2013	\$1.58	Dec2013	\$0.91
Dec2012	\$4.74	Dec2012	\$0.89
Dec2011	-\$5.32	Dec2011	\$0.04
Dec2010	\$1.52	Dec2010	\$3.57
Dec2009	-\$0.28	Dec2009	\$5.06
Dec2008	\$6.91	Dec2008	\$7.37
Dec2007	\$8.08	Dec2007	\$7.00
Dec2006	\$10.24	Dec2006	\$5.80
Dec2005	\$4.90	Dec2005	\$3.18
Dec2004	\$3.18	Dec2004	\$2.15
Dec2003	\$2.55	Dec2003	\$1.49
Dec2002	\$1.61	Dec2002	\$0.86
Dec2001	-\$0.38	Balance Sheet Information 3/1/2018	
Dec2000	\$2.08	Total Current Assets	\$5,530,000,000
Dec1999	\$0.13	Total Current Liabilities	\$4,734,000,000
Dec1998	-\$0.21	Long-Term Debt	\$15,643,000,000
		Total Assets	\$41,076,000,000
		Intangible Assets	\$5,654,000,000
		Total Liabilities	\$29,320,000,000
		Shares Outstanding (Diluted Average)	519,000,000





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

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

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](#)