ModernGraham Valuation

Company Name:

Company Ticker схо Date of Analysis

Concho Resources ModernGraham

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

6/4/2018

Inc

Defensive Inve 6. t of the following 7 t

Defensive Investor; must pa	ess 6 out of the following 7 tests.			
1. A	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$18,954,472,477	Pass
2. S	Sufficiently Strong Financial Condition	Current Ratio > 2	0.65	Fail
3. E	Earnings Stability	Positive EPS for 10 years prior		Fail
4. D	Dividend Record	Dividend Payments for 10 years prior		Fail
		Increase of 33% in EPS in past 10		
5. E	arnings Growth	years using 3 year averages at beginning and end	-119.89%	Fail
6. N	Aoderate PEmg Ratio	PEmg < 20	136.72	Fail
7. N	Noderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.94	Pass
Enterprising Investor; must µ	pass 4 out of the following 5 tests, or be s	uitable for the Defensive Investor.		
1. S	Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.65	Fail
2. S	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-6.08	Fail
3. E	Earnings Stability	Positive EPS for 5 years prior		Fail
4. D	Dividend Record	Currently Pays Dividend		Fail
5. E	Earnings Growth	EPSmg greater than 5 years ago		Fail
		Score		
Suitability				
Defe	ensive	No		
Ente	erprising	No		
Stage 2: Determina	ation of Intrinsic Value			
EPS	Smg	\$0.93		
MG	Growth Estimate	-4.25%		
MG	Value	\$0.00		
MG	Value based on 3% Growth	\$13.49		
MG	Value based on 0% Growth	\$7.91		
Mark	ket Implied Growth Rate	64.11%		
MG Opinion				
Curr	rent Price	\$127.15		
% of	f Intrinsic Value	N/A		

Stage 3: Information for Further Research

Opinion MG Grade

Net Current Asset Value (NCAV)	-\$26.43
Graham Number	\$63.40
PEmg	136.72
Current Ratio	0.65
PB Ratio	1.94
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Overvalued

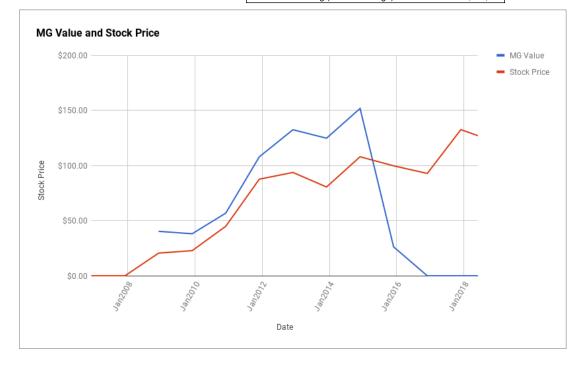
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Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus

Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$2.98	Next Fiscal Year Estimate	\$0.93
Dec2017	\$6.41	Dec2017	\$0.16
Dec2016	-\$10.85	Dec2016	-\$1.90
Dec2015	\$0.54	Dec2015	\$2.86
Dec2014	\$4.88	Dec2014	\$3.94
Dec2013	\$2.39	Dec2013	\$3.24
Dec2012	\$4.15	Dec2012	\$3.44
Dec2011	\$5.28	Dec2011	\$2.80
Dec2010	\$2.18	Dec2010	\$1.48
Dec2009	-\$0.12	Dec2009	\$0.99
Dec2008	\$3.46	Dec2008	\$1.0
Dec2007	\$0.38	Dec2007	-\$0.32
Dec2006	\$0.59	Dec2006	-\$0.69
Dec2005	-\$0.70	Dec2005	-\$1.16
Dec2004	-\$3.48	Dec2004	-\$1.16
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information	3/1/2018
Dec2000	\$0.00	Total Current Assets	\$719,000,000
Dec1999	\$0.00	Total Current Liabilities	\$1,109,000,000
Dec1998	\$0.00	Long-Term Debt	\$2,370,000,000
		Total Assets	\$14,381,000,000
		Intangible Assets	\$22,000,000
		Total Liabilities	\$4,643,000,000
		Shares Outstanding (Diluted Average)	148,462,000





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
 Most Overvalued Stocks of the S&P 500 – March 2017

 ModernGraham posts about the company
 Concho Resources Inc Valuation – Initial Coverage \$CXO

Other ModernGraham posts about related companies

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 Phillips 66 Valuation – April 2018 \$PSX Baker Hughes, a GE Co Valuation – April 2018 \$BHGE Marathon Petroleum Corp Valuation – April 2018 \$MPC TechnipFMC PLC Valuation – April 2018 \$FTI