

ModernGraham Valuation

Occidental Petroleum
Corporation



Company Name:

Company Ticker OXY

Date of Analysis

6/2/2018

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	\$65,167,048,809	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.26	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		
5. Earnings Growth		-85.11%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-185.81	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.15	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	1.26	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.65	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	-\$0.46
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$6.64
MG Value based on 0% Growth	-\$3.89
Market Implied Growth Rate	-97.15%

MG Opinion

Current Price	\$85.10
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

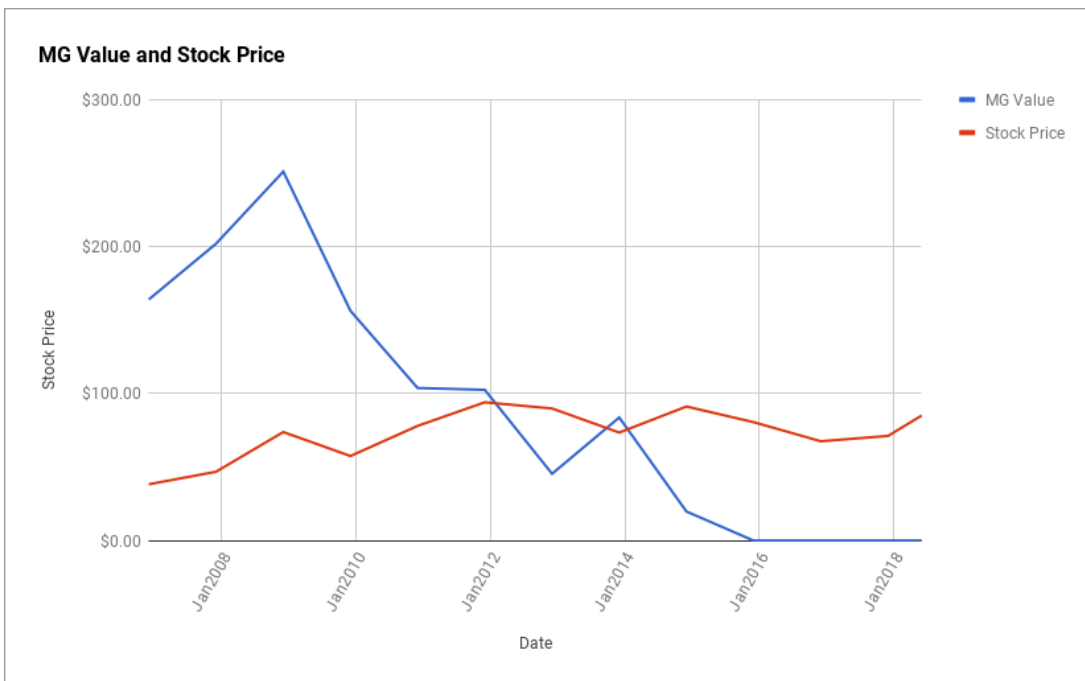
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$17.20
Graham Number	\$31.59
PEmg	-185.81
Current Ratio	1.26
PB Ratio	3.15
Current Dividend	\$3.06
Dividend Yield	3.60%
Number of Consecutive Years of Dividend Growth	15

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	\$1.65	Next Fiscal Year Estimate	-\$0.46
Dec2017	\$1.70	Dec2017	-\$1.09
Dec2016	-\$0.75	Dec2016	-\$1.47
Dec2015	-\$10.23	Dec2015	-\$0.42
Dec2014	\$0.79	Dec2014	\$4.83
Dec2013	\$7.32	Dec2013	\$6.60
Dec2012	\$5.67	Dec2012	\$6.25
Dec2011	\$8.32	Dec2011	\$6.51
Dec2010	\$5.56	Dec2010	\$5.66
Dec2009	\$3.58	Dec2009	\$5.79
Dec2008	\$8.34	Dec2008	\$6.52
Dec2007	\$6.44	Dec2007	\$5.25
Dec2006	\$4.87	Dec2006	\$4.26
Dec2005	\$6.48	Dec2005	\$3.58
Dec2004	\$2.80	Dec2004	\$2.07
Dec2003	\$1.98	Dec2003	\$1.64
Dec2002	\$1.31	Dec2002	\$1.39
Dec2001	\$1.55	Balance Sheet Information 3/1/2018	
Dec2000	\$2.13	Total Current Assets	\$8,894,000,000
Dec1999	\$0.62	Total Current Liabilities	\$7,070,000,000
Dec1998	\$0.50	Long-Term Debt	\$10,309,000,000
		Total Assets	\$42,808,000,000
		Intangible Assets	\$0
		Total Liabilities	\$22,086,000,000
		Shares Outstanding (Diluted Average)	767,000,000





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

- [Most Overvalued Stocks of the S&P 500 – March 2017](#)
- [Occidental Petroleum Corp Valuation – February 2017 \\$OXY](#)
- [Occidental Petroleum Corp Valuation – August 2016 \\$OXY](#)
- [Occidental Petroleum Corporation – 2015 Update \\$OXY](#)
- [21 Companies in the Spotlight This Week – June 14, 2014](#)

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](#)