# **ModernGraham Valuation**

## **Company Name:**

WPX Energy Inc



Company Ticker WPX Date of Analysis

7/1/2018

### 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	\$7,213,143,954 Pa	SS
2	. Sufficiently Strong Financial Condition	Current Ratio > 2	1.26 Fai	il
3	. Earnings Stability	Positive EPS for 10 years prior	Fai	il
4	. Dividend Record	Dividend Payments for 10 years prior	Fai	il
		Increase of 33% in EPS in past 10 years using 3 year averages at		
5	. Earnings Growth	beginning and end	-71.41% Fa	il
6	. Moderate PEmg Ratio	PEmg < 20	-12.63 Fai	il
7	. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.79 Fai	il

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	10.92	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		Pass

\$18.03

Score

Suitability

Defensive No Enterprising No

#### Stage 2: Determination of Intrinsic Value

EPSmg	-\$1.43
MG Growth Estimate	5.15%
MG Value	\$0.00
MG Value based on 3% Growth	-\$20.70
MG Value based on 0% Growth	-\$12.13
Market Implied Growth Rate	-10.57%

MG Opinion

**Current Price** % of Intrinsic Value N/A Overvalued

Opinion MG Grade

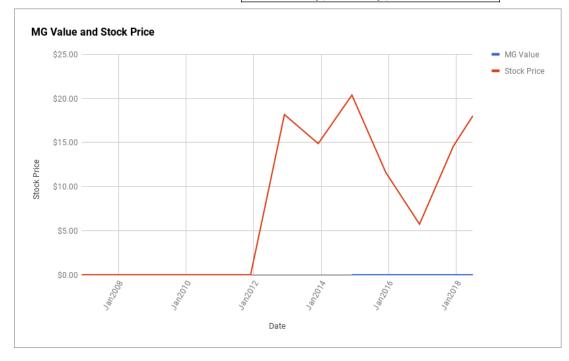
### Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$7.43
Graham Number	\$0.00
PEmg	-12.63
Current Ratio	1.26
PB Ratio	1.79
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	
Growth	0

**Useful Links:** ModernGraham tagged articles

Morningstar Google Finance MSN Money Yahoo Finance Seeking Alpha <u>GuruFocus</u> SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	• • •	Next Fiscal Year Estimate	-\$1.43
Dec2017	-\$0.08	Dec2017	-\$2.34
Dec2016	-\$2.05	Dec2016	-\$3.36
Dec2015	-\$7.42	Dec2015	-\$3.69
Dec2014	\$0.80	Dec2014	-\$2.17
Dec2013	-\$5.91	Dec2013	-\$3.45
Dec2012	-\$1.12	Dec2012	-\$2.09
Dec2011	-\$1.53	Dec2011	-\$2.26
Dec2010	-\$6.55	Dec2010	-\$2.18
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
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	\$1,161,000,000
Dec1999	\$0.00	Total Current Liabilities	\$925,000,000
Dec1998	\$0.00	Long-Term Debt	\$2,576,000,000
		Total Assets	\$8,127,000,000
		Intangible Assets	\$0
		Total Liabilities	\$4,121,000,000
		Shares Outstanding (Diluted Average)	398,600,000





#### 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 WPX Energy Inc Valuation – September 2016 \$WPX WPX Energy Inc. Analysis – 2015 Update \$WPX 19 Companies in the Spotlight This Week – 7/26/14 WPX Energy Inc. Annual Valuation – 2014 \$WPX

Other ModernGraham posts about related companies Noble Corp PLC Valuation – June 2018 \$NE

Rowan Companies PLC Valuation – June 2018 \$RDC

Diamond Offshore Drilling Inc Valuation – June 2018 \$DO

Transocean Ltd Valuation - June 2018 \$RIG

Nabors Industries Ltd Valuation – June 2018 \$NBR

QEP Resources Inc Valuation – June 2018 \$QEP

Pioneer Natural Resources Co Valuation – June 2018 \$PXD

Schlumberger Ltd Valuation – June 2018 \$SLB

Anadarko Petroleum Corp Valuation – June 2018 \$APC

Apache Corp Valuation - June 2018 \$APA