

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	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		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-71.41%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-12.63	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.79	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	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
	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	\$18.03
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

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
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	-\$0.18	Dec2017	-\$1.43
Dec2016	-\$0.08	Dec2016	-\$2.34
Dec2015	-\$2.05	Dec2015	-\$3.36
Dec2014	-\$7.42	Dec2014	-\$3.69
Dec2013	\$0.80	Dec2013	-\$2.17
Dec2012	-\$5.91	Dec2012	-\$3.45
Dec2011	-\$1.12	Dec2011	-\$2.09
Dec2010	-\$1.53	Dec2010	-\$2.26
Dec2009	-\$6.55	Dec2009	-\$2.18
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](#)