

ModernGraham Valuation

Company Name:

Company Ticker CRC

Date of Analysis

8/11/2018

California Resources
Corp



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	\$1,752,820,390	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.63	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	-5866.67%	Fail
5. Earnings Growth	PEmg < 20	-2.20	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	-2.61	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	0.63	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-15.19	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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$15.94
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$231.06
MG Value based on 0% Growth	-\$135.45
Market Implied Growth Rate	-5.35%

MG Opinion

Current Price	\$34.99
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

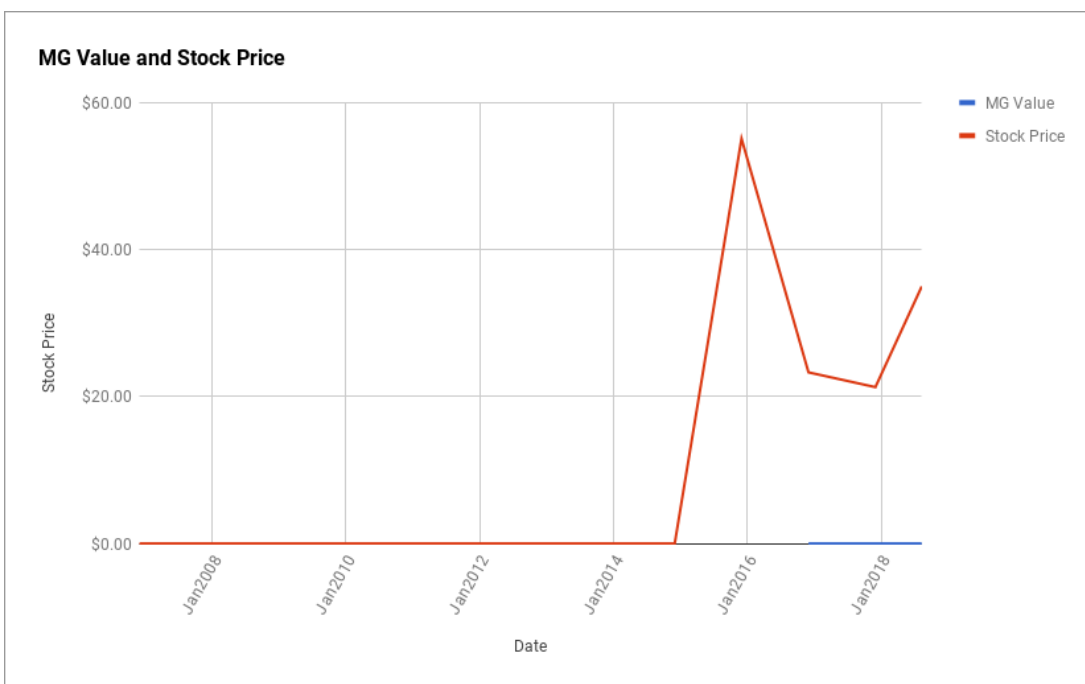
Stage 3: Information for Further Research

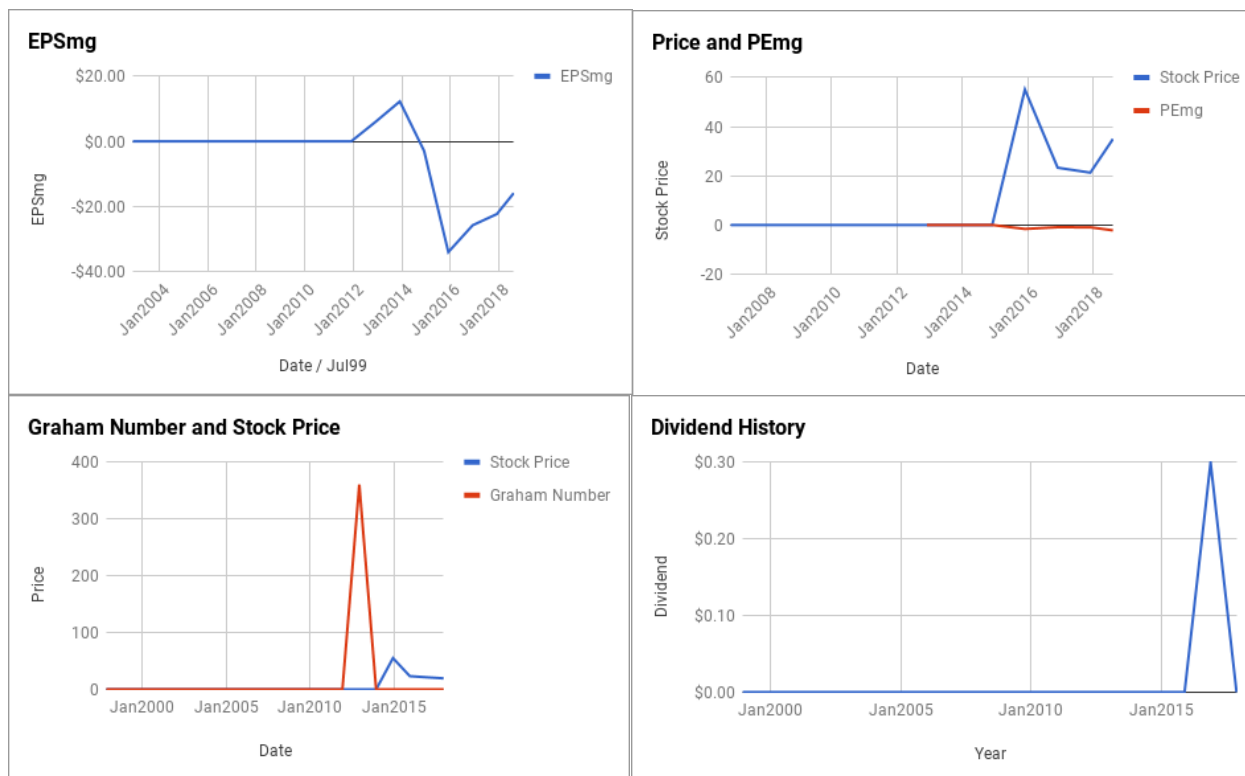
Net Current Asset Value (NCAV)	-\$145.77
Graham Number	\$0.00
PEmg	-2.20
Current Ratio	0.63
PB Ratio	-2.61
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	-\$2.23	Next Fiscal Year Estimate	-\$15.94
Dec2017	-\$6.26	Dec2017	-\$22.35
Dec2016	\$6.76	Dec2016	-\$25.81
Dec2015	-\$92.79	Dec2015	-\$34.06
Dec2014	-\$37.54	Dec2014	-\$2.94
Dec2013	\$22.40	Dec2013	\$12.27
Dec2012	\$18.00	Dec2012	\$6.00
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
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 6/1/2018 Total Current Assets \$559,000,000 Total Current Liabilities \$893,000,000 Long-Term Debt \$5,075,000,000 Total Assets \$6,940,000,000 Intangible Assets \$0 Total Liabilities \$7,585,000,000 Shares Outstanding (Diluted Average) 48,200,000	
Dec2000	\$0.00		
Dec1999	\$0.00		
Dec1998	\$0.00		





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

[California Resources Corp Valuation – Initial Coverage \\$CRC](#)

Other
ModernGraham
posts about related
companies

[Superior Energy Services Inc Valuation – August 2018 \\$SPN](#)
[Crescent Point Energy Corp Valuation – August 2018 \\$TSE-CPG](#)
[Kelt Exploration Ltd Valuation – August 2018 \\$TSE-KEL](#)
[Canadian Natural Resources Ltd Valuation – August 2018 \\$TSE:CNO](#)
[SM Energy Co Valuation – August 2018 \\$SM](#)
[Surge Energy Inc Valuation – July 2018 \\$TSE:SGY](#)
[CIRCOR International Inc Valuation – July 2018 \\$CIR](#)
[SEACOR Holdings Inc Valuation – July 2018 \\$CKH](#)
[Inter Pipeline Ltd Valuation – July 2018 \\$TSE:IPL](#)
[World Fuel Services Corp Valuation – July 2018 \\$INT](#)