

# ModernGraham Valuation

Company Name:

Carrizo Oil & Gas Inc

Company Ticker CRZO

Date of Analysis

8/26/2018



## 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  | \$2,230,812,793 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2  | 0.26            | 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 | 53.70%          | Pass |
| 5. Earnings Growth                         | PEmg < 20  | -6.09           | Fail |
| 6. Moderate PEmg Ratio                     | PB Ratio < 2.5 OR PB*PEmg < 50   | 3.41            | 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                  | 0.26  | Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1                    | -4.05 | 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

|                     |           |
|---------------------|-----------|
| <b>Defensive</b>    | <b>No</b> |
| <b>Enterprising</b> | <b>No</b> |

## Stage 2: Determination of Intrinsic Value

|                             |               |
|-----------------------------|---------------|
| EPSmg                       | -\$4.00       |
| MG Growth Estimate          | -4.25%        |
| <b>MG Value</b>             | <b>\$0.00</b> |
| MG Value based on 3% Growth | -\$58.02      |
| MG Value based on 0% Growth | -\$34.01      |
| Market Implied Growth Rate  | -7.29%        |

### MG Opinion

|                      |                   |
|----------------------|-------------------|
| Current Price        | \$24.35           |
| % of Intrinsic Value | N/A               |
| <b>Opinion</b>       | <b>Overvalued</b> |
| <b>MG Grade</b>      | <b>D</b>          |

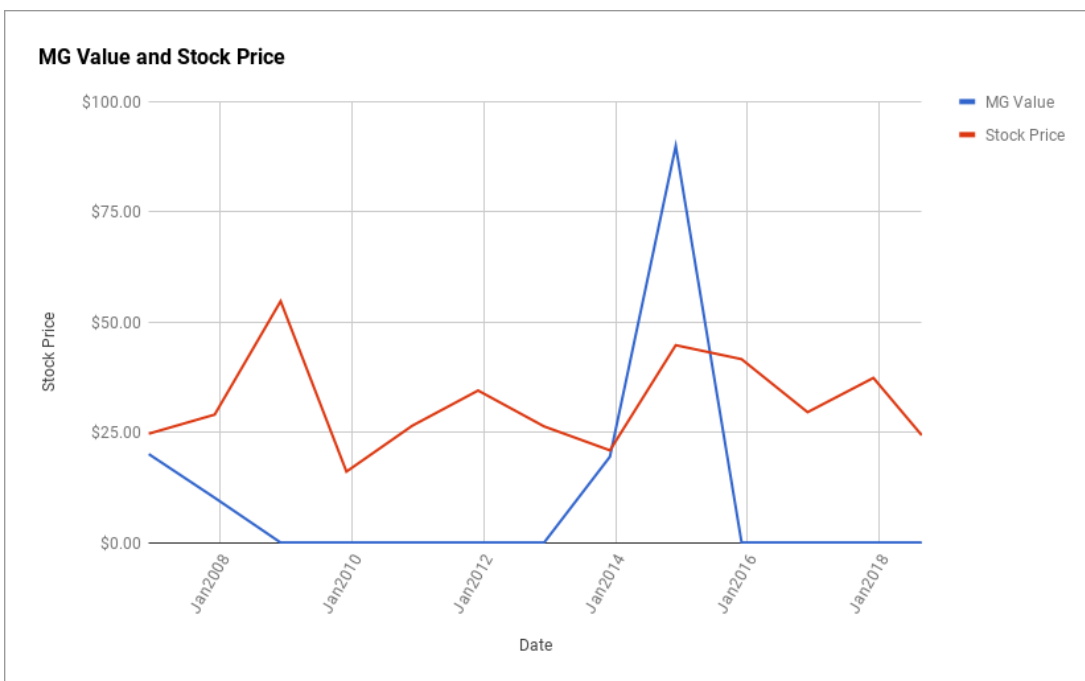
## Stage 3: Information for Further Research

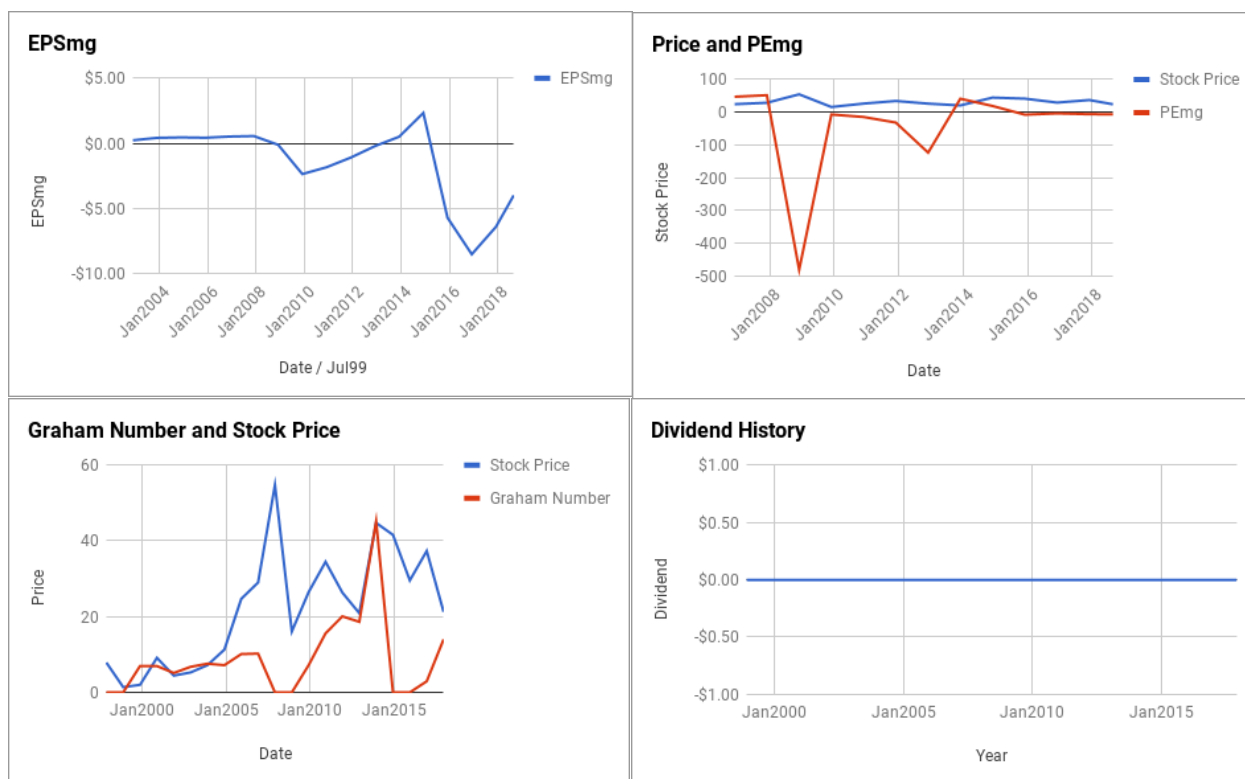
|  |          |
|--|----------|
| Net Current Asset Value (NCAV)                 | -\$23.73 |
| Graham Number                                  | \$13.99  |
| PEmg   | -6.09    |
| Current Ratio                                  | 0.26     |
| PB Ratio                                       | 3.41     |
| Current Dividend                               | \$0.00   |
| Dividend Yield                                 | 0.00%    |
| Number of Consecutive Years of Dividend Growth | 0        |

### Useful Links:

|  |                               |
|--|-------------------------------|
| <a href="#">ModernGraham tagged articles</a> | <a href="#">Morningstar</a>   |
| <a href="#">Google Finance</a>               | <a href="#">MSN Money</a>     |
| <a href="#">Yahoo Finance</a>                | <a href="#">Seeking Alpha</a> |
| <a href="#">GuruFocus</a>                    | <a href="#">SEC Filings</a>   |

| EPS History               |          | EPSmg History                             |                 |
|---------------------------|----------|---|-----------------|
| Next Fiscal Year Estimate |          | Next Fiscal Year Estimate                 |                 |
| Dec2017                   | \$1.91   | Dec2017                                   | -\$4.00         |
| Dec2016                   | \$1.06   | Dec2016                                   | -\$6.42         |
| Dec2015                   | -\$11.27 | Dec2015                                   | -\$8.53         |
| Dec2014                   | -\$22.45 | Dec2014                                   | -\$5.72         |
| Dec2013                   | \$4.90   | Dec2013                                   | \$2.34          |
| Dec2012                   | \$1.06   | Dec2012                                   | \$0.51          |
| Dec2011                   | \$1.39   | Dec2011                                   | -\$0.21         |
| Dec2010                   | \$0.92   | Dec2010                                   | -\$1.10         |
| Dec2009                   | \$0.29   | Dec2009                                   | -\$1.84         |
| Dec2008                   | -\$6.61  | Dec2008                                   | -\$2.36         |
| Dec2007                   | -\$1.49  | Dec2007                                   | -\$0.11         |
| Dec2006                   | \$0.57   | Dec2006                                   | \$0.56          |
| Dec2005                   | \$0.71   | Dec2005                                   | \$0.52          |
| Dec2004                   | \$0.42   | Dec2004                                   | \$0.43          |
| Dec2003                   | \$0.49   | Dec2003                                   | \$0.46          |
| Dec2002                   | \$0.43   | Dec2002                                   | \$0.42          |
| Dec2001                   | \$0.26   | Dec2001                                   | \$0.23          |
| Dec2000                   | \$0.57   | <b>Balance Sheet Information 6/1/2018</b> |                 |
| Dec1999                   | \$0.74   | Total Current Assets                      | \$132,505,000   |
| Dec1998                   | -\$0.07  | Total Current Liabilities                 | \$503,531,000   |
|                           | -\$2.15  | Long-Term Debt                            | \$1,502,307,000 |
|                           |          | Total Assets                              | \$2,721,839,000 |
|                           |          | Intangible Assets                         | \$0             |
|                           |          | Total Liabilities                         | \$2,122,513,000 |
|                           |          | Shares Outstanding (Diluted Average)      | 83,853,000      |





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

[Carrizo Oil & Gas Inc Valuation – Initial Coverage \\$CRZO](#)

Other  
ModernGraham  
posts about related  
companies

[Denbury Resources Inc Valuation – August 2018 \\$DNR](#)  
[California Resources Corp Valuation – August 2018 \\$CRC](#)  
[Crew Energy Inc Valuation – August 2018 \\$TSE-CR](#)  
[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:CNQ](#)  
[SM Energy Co Valuation – August 2018 \\$SM](#)  
[Surge Energy Inc Valuation – July 2018 \\$TSE:SGY](#)  
[CIRCOR International Inc Valuation – July 2018 \\$CIR](#)