

ModernGraham Valuation

Murphy Oil
Corporation



Company Name:

Company Ticker MUR

Date of Analysis

8/29/2018

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	\$5,542,518,868	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.46	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		-114.11%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-18.64	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.16	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	1.46	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	7.04	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	-\$1.68
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$24.33
MG Value based on 0% Growth	-\$14.26
Market Implied Growth Rate	-13.57%

MG Opinion

Current Price	\$31.27
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$22.75
Graham Number	\$30.85
PEmg	-18.64
Current Ratio	1.46
PB Ratio	1.16
Current Dividend	\$1.00
Dividend Yield	3.20%
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	\$1.58	Next Fiscal Year Estimate	-\$1.68
Dec2017	-\$1.81	Dec2017	-\$2.57
Dec2016	-\$1.60	Dec2016	-\$1.88
Dec2015	-\$13.03	Dec2015	-\$0.85
Dec2014	\$5.03	Dec2014	\$5.13
Dec2013	\$5.94	Dec2013	\$5.05
Dec2012	\$4.99	Dec2012	\$4.87
Dec2011	\$4.49	Dec2011	\$4.94
Dec2010	\$4.13	Dec2010	\$5.11
Dec2009	\$4.35	Dec2009	\$5.43
Dec2008	\$9.06	Dec2008	\$5.63
Dec2007	\$4.01	Dec2007	\$3.76
Dec2006	\$3.41	Dec2006	\$3.36
Dec2005	\$4.55	Dec2005	\$3.04
Dec2004	\$3.77	Dec2004	\$2.15
Dec2003	\$1.59	Dec2003	\$1.32
Dec2002	\$0.61	Dec2002	\$1.10
Dec2001	\$1.81	Balance Sheet Information 6/1/2018	
Dec2000	\$1.64	Total Current Assets	\$1,315,355,000
Dec1999	\$0.67	Total Current Liabilities	\$903,557,000
Dec1998	-\$0.08	Long-Term Debt	\$2,897,345,000
		Total Assets	\$9,945,449,000
		Intangible Assets	\$0
		Total Liabilities	\$5,273,811,000
		Shares Outstanding (Diluted Average)	173,983,000





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](#)
 - [Murphy Oil Corporation Valuation – March 2017 \\$MUR](#)
 - [Murphy Oil Corporation Valuation – November 2015 Update \\$MUR](#)
 - [26 Companies in the Spotlight This Week – 11/22/14](#)
 - [Murphy Oil Corporation Annual Valuation – 2014 \\$MUR](#)

- Other ModernGraham posts about related companies**
- [Tidewater Inc Valuation – August 2018 \\$TDW](#)
 - [Carrizo Oil & Gas Inc Valuation – August 2018 \\$CRZO](#)
 - [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](#)