

ModernGraham Valuation

Company Name:

Chevron Corporation

Company Ticker CVX

Date of Analysis

11/11/2018



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	\$228,998,726,088	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.22	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	-53.76%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	23.64	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.48	Pass

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	1.22	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.66	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.06
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$73.30
MG Value based on 0% Growth	\$42.97
Market Implied Growth Rate	7.57%

MG Opinion

Current Price	\$119.51
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	B-

Stage 3: Information for Further Research

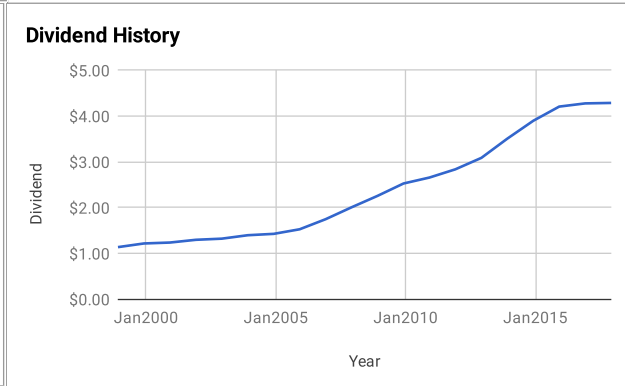
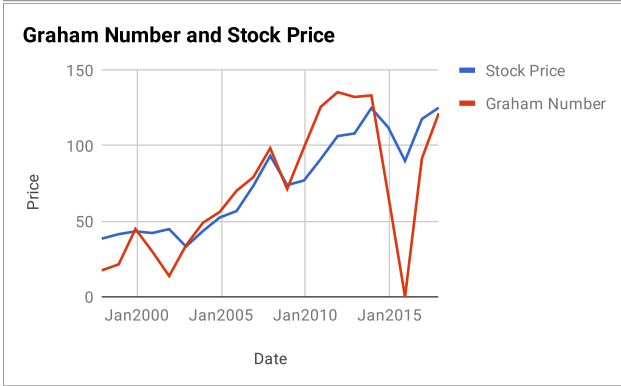
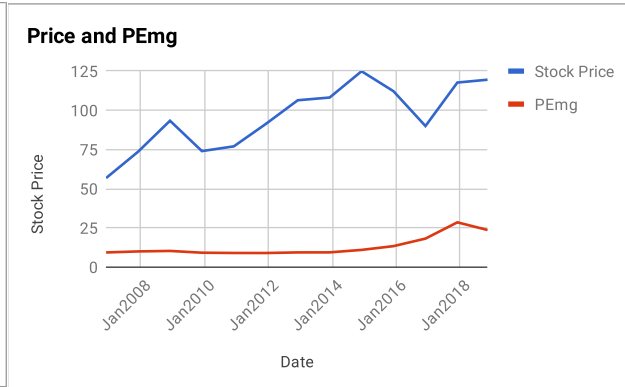
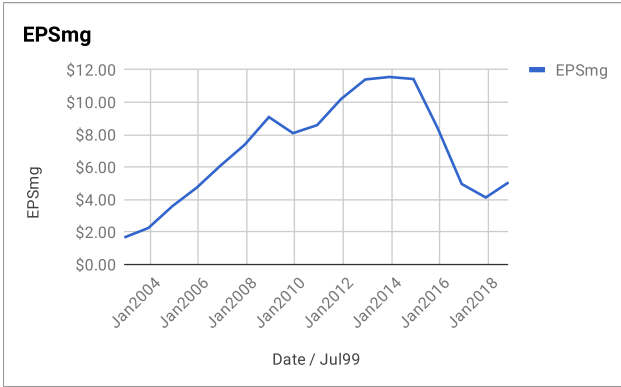
Net Current Asset Value (NCAV)	-\$34.60
Graham Number	\$121.52
PEmg	23.64
Current Ratio	1.22
PB Ratio	1.48
Current Dividend	\$4.32
Dividend Yield	3.61%
Number of Consecutive Years of Dividend Growth	20

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	\$8.44	Next Fiscal Year Estimate	\$5.06
Dec2017	\$4.85	Dec2017	\$4.13
Dec2016	-\$0.27	Dec2016	\$4.96
Dec2015	\$2.45	Dec2015	\$8.41
Dec2014	\$10.14	Dec2014	\$11.43
Dec2013	\$11.09	Dec2013	\$11.55
Dec2012	\$13.32	Dec2012	\$11.40
Dec2011	\$13.44	Dec2011	\$10.20
Dec2010	\$9.48	Dec2010	\$8.58
Dec2009	\$5.24	Dec2009	\$8.09
Dec2008	\$11.67	Dec2008	\$9.08
Dec2007	\$8.77	Dec2007	\$7.38
Dec2006	\$7.80	Dec2006	\$6.10
Dec2005	\$6.54	Dec2005	\$4.72
Dec2004	\$6.28	Dec2004	\$3.60
Dec2003	\$3.48	Dec2003	\$2.25
Dec2002	\$0.53	Dec2002	\$1.66
Dec2001	\$1.55	Balance Sheet Information 9/1/2018	
Dec2000	\$3.99	Total Current Assets	\$35,583,000,000
Dec1999	\$1.57	Total Current Liabilities	\$29,183,000,000
Dec1998	\$1.02	Long-Term Debt	\$29,854,000,000
		Total Assets	\$256,606,000,000
		Intangible Assets	\$4,518,000,000
		Total Liabilities	\$101,933,000,000
		Shares Outstanding (Diluted Average)	1,917,474,000





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**
 - [5 Overvalued Dow Components – June 2018](#)
 - [5 Overvalued Dow Components – February 2018](#)
 - [Chevron Corp Valuation – February 2018 \\$CVX](#)
 - [Chevron Corporation Valuation – March 2017 \\$CVX](#)
 - [5 Overvalued Dow Components – February 2017](#)

- Other ModernGraham posts about related companies**
 - [Cenovus Energy Inc Valuation – October 2018 \\$TSE-CVE](#)
 - [CNX Resources Corp Valuation – September 2018 \\$CNX](#)
 - [Carbo Ceramics Inc Valuation – August 2018 \\$CRR](#)
 - [Murphy Oil Corp Valuation – August 2018 \\$MUR](#)
 - [Suncor Energy Inc Valuation – August 2018 \\$TSE:SU](#)
 - [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](#)