

ModernGraham Valuation

Company Name:

ONEOK, Inc.

Company Ticker OKE

Date of Analysis

1/25/2019



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	\$25,636,048,554	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.74	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	22.19%	Fail
5. Earnings Growth	PEmg < 20	33.75	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.89	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	0.74	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-12.96	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.85
MG Growth Estimate	3.41%
MG Value	\$28.29
MG Value based on 3% Growth	\$26.78
MG Value based on 0% Growth	\$15.70
Market Implied Growth Rate	12.62%

MG Opinion

Current Price	\$62.32
% of Intrinsic Value	220.30%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$22.78
Graham Number	\$29.66
PEmg	33.75
Current Ratio	0.74
PB Ratio	3.89
Current Dividend	\$2.72
Dividend Yield	4.36%
Number of Consecutive Years of Dividend Growth	15

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	\$2.75	Dec2017	\$1.85
Dec2016	\$1.29	Dec2016	\$1.39
Dec2015	\$1.66	Dec2015	\$1.44
Dec2014	\$1.16	Dec2014	\$1.38
Dec2013	\$1.49	Dec2013	\$1.50
Dec2012	\$1.27	Dec2012	\$1.52
Dec2011	\$1.71	Dec2011	\$1.62
Dec2010	\$1.68	Dec2010	\$1.55
Dec2009	\$1.55	Dec2009	\$1.47
Dec2008	\$1.44	Dec2008	\$1.50
Dec2007	\$1.48	Dec2007	\$1.55
Dec2006	\$1.40	Dec2006	\$1.52
Dec2005	\$1.34	Dec2005	\$1.48
Dec2004	\$2.53	Dec2004	\$1.39
Dec2003	\$1.15	Dec2003	\$0.78
Dec2002	\$0.61	Dec2002	\$0.59
Dec2001	\$0.70	Dec2001	\$0.58
Dec2000	\$0.43	Balance Sheet Information	
Aug1999	\$0.62	9/1/2018	
Aug1998	\$0.56	Total Current Assets	\$1,807,908,000
	\$0.56	Total Current Liabilities	\$2,450,206,000
		Long-Term Debt	\$8,325,708,000
		Total Assets	\$17,911,314,000
		Intangible Assets	\$970,117,000
		Total Liabilities	\$11,258,556,000
		Shares Outstanding (Diluted Average)	414,847,000





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:

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ModernGraham
posts about the
company

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[Helmerich & Payne Inc Valuation – January 2019 \\$HP](#)
[Williams Companies Inc Valuation – January 2019 \\$WMB](#)
[Exxon Mobil Corp Valuation – November 2018 \\$XOM](#)
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[Cenovus Energy Inc Valuation – October 2018 \\$TSE-CVE](#)
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