

ModernGraham Valuation

Company Name:

Cimarex Energy Co

Company Ticker XEC

Date of Analysis

1/23/2019



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	\$6,962,019,156	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.69	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	-20.71%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-107.81	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.26	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	1.69	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.56	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	-\$0.68
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$9.79
MG Value based on 0% Growth	-\$5.74
Market Implied Growth Rate	-58.16%

MG Opinion

Current Price	\$72.81
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

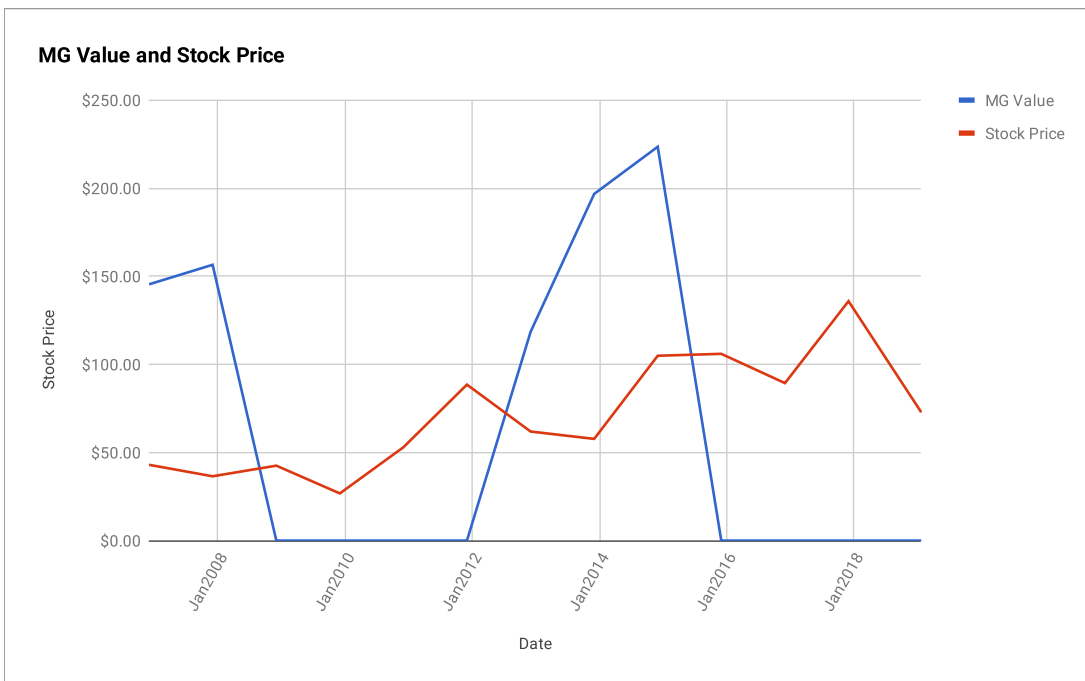
Stage 3: Information for Further Research

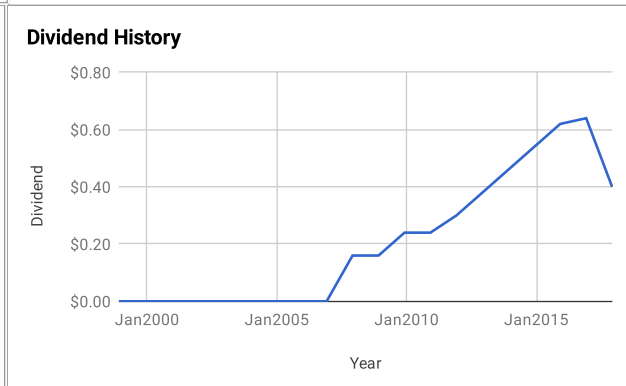
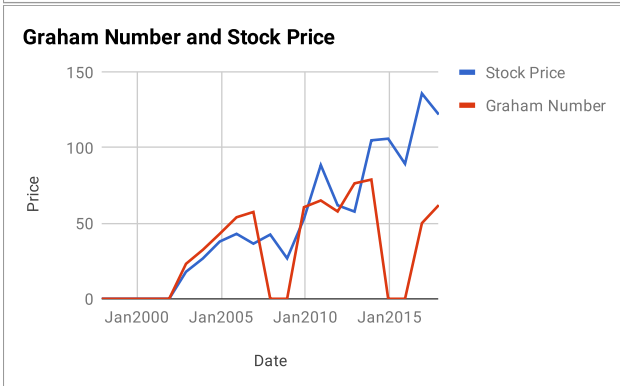
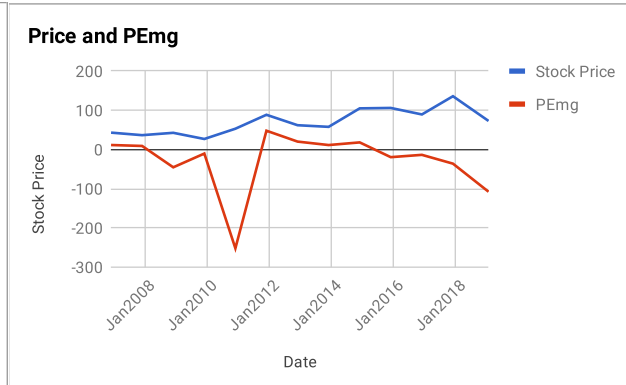
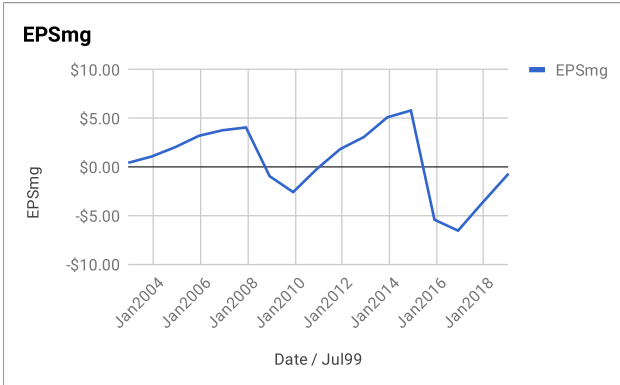
Net Current Asset Value (NCAV)	-\$14.54
Graham Number	\$62.01
PEmg	-107.81
Current Ratio	1.69
PB Ratio	2.26
Current Dividend	\$0.32
Dividend Yield	0.44%
Number of Consecutive Years of Dividend Growth	0

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	\$6.35	Next Fiscal Year Estimate	-\$0.68
Dec2017	\$5.19	Dec2017	-\$3.76
Dec2016	-\$4.38	Dec2016	-\$6.53
Dec2015	-\$27.75	Dec2015	-\$5.40
Dec2014	\$6.00	Dec2014	\$5.81
Dec2013	\$6.47	Dec2013	\$5.11
Dec2012	\$4.07	Dec2012	\$3.08
Dec2011	\$6.15	Dec2011	\$1.85
Dec2010	\$6.70	Dec2010	-\$0.21
Dec2009	-\$3.82	Dec2009	-\$2.57
Dec2008	-\$11.22	Dec2008	-\$0.93
Dec2007	\$4.09	Dec2007	\$4.07
Dec2006	\$4.11	Dec2006	\$3.78
Dec2005	\$4.90	Dec2005	\$3.21
Dec2004	\$3.59	Dec2004	\$2.05
Dec2003	\$2.22	Dec2003	\$1.09
Dec2002	\$1.31	Dec2002	\$0.44
Dec2001	\$0.00	Balance Sheet Information 9/1/2018	
Dec2000	\$0.00	Total Current Assets	\$1,427,715,000
Dec1999	\$0.00	Total Current Liabilities	\$845,345,000
Dec1998	\$0.00	Long-Term Debt	\$1,488,147,000
		Total Assets	\$5,818,435,000
		Intangible Assets	\$620,232,000
		Total Liabilities	\$2,792,613,000
		Shares Outstanding (Diluted Average)	93,867,000





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 [Cimarex Energy Co Valuation – Initial Coverage \\$XEC](#)

Other ModernGraham posts about related companies

- [EQT Corp Valuation – January 2019 \\$EQT](#)
- [Helmerich & Payne Inc Valuation – January 2019 \\$HP](#)
- [Williams Companies Inc Valuation – January 2019 \\$WMB](#)
- [Exxon Mobil Corp Valuation – November 2018 \\$XOM](#)
- [Chevron Corp Valuation – November 2018 \\$CVX](#)
- [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](#)