

ModernGraham Valuation

Baker Hughes A GE
Co



Company Name:

Company Ticker BHGE

Date of Analysis

2/11/2019

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	\$25,573,144,062	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.66	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	346666566.67%	Pass
6. Moderate PEmg Ratio	PEmg < 20	398.55	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.78	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	1.66	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.06	Pass
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		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.06
MG Growth Estimate	15.00%
MG Value	\$2.39
MG Value based on 3% Growth	\$0.90
MG Value based on 0% Growth	\$0.53
Market Implied Growth Rate	195.02%

MG Opinion

Current Price	\$24.71
% of Intrinsic Value	1035.19%
Opinion	Overvalued
MG Grade	C

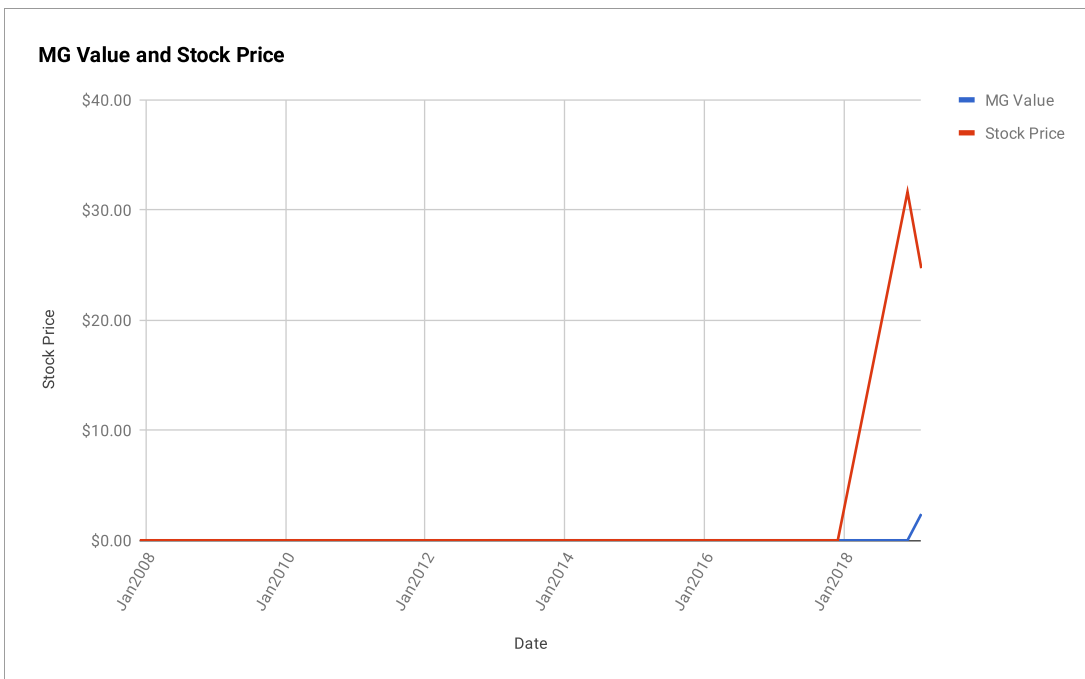
Stage 3: Information for Further Research

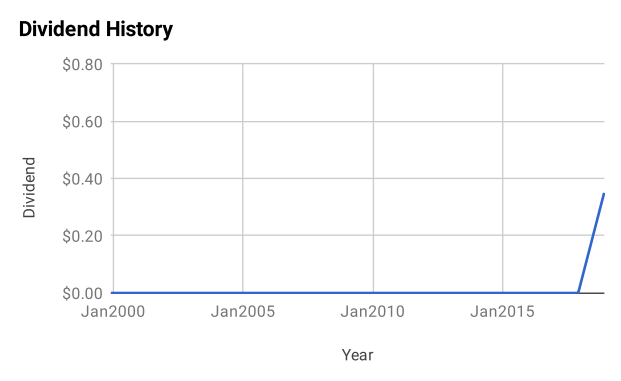
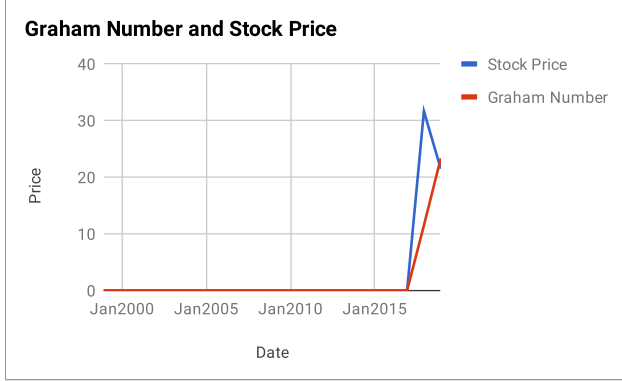
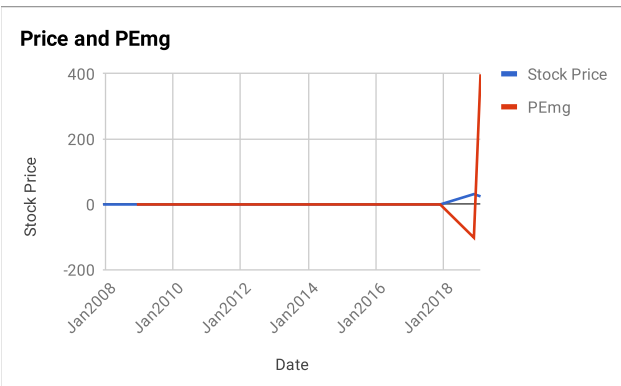
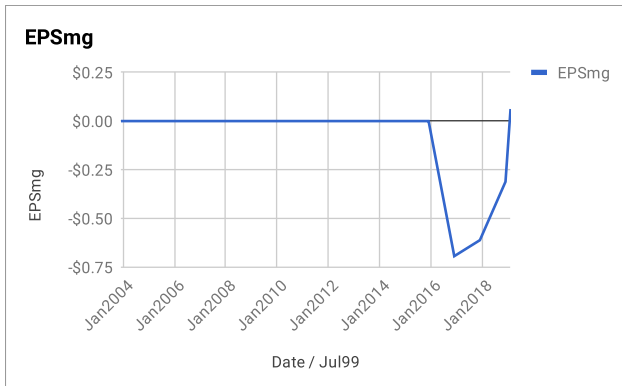
Net Current Asset Value (NCAV)	-\$2.23
Graham Number	\$23.33
PEmg	398.55
Current Ratio	1.66
PB Ratio	0.78
Current Dividend	\$0.72
Dividend Yield	2.91%
Number of Consecutive Years of Dividend Growth	2

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	\$0.76	Next Fiscal Year Estimate	\$0.06
Dec2018	\$0.45	Dec2018	-\$0.31
Dec2017	-\$0.17	Dec2017	-\$0.61
Dec2016	-\$2.08	Dec2016	-\$0.69
Dec2015	\$0.00	Dec2015	\$0.00
Dec2014	\$0.00	Dec2014	\$0.00
Dec2013	\$0.00	Dec2013	\$0.00
Dec2012	\$0.00	Dec2012	\$0.00
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Balance Sheet Information 12/1/2018	
Dec2001	\$0.00	Total Current Assets	\$14,971,000,000
Dec2000	\$0.00	Total Current Liabilities	\$9,020,000,000
Dec1999	\$0.00	Long-Term Debt	\$6,285,000,000
		Total Assets	\$52,439,000,000
		Intangible Assets	\$26,436,000,000
		Total Liabilities	\$17,426,000,000
		Shares Outstanding (Diluted Average)	1,099,932,000





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 [Baker Hughes, a GE Co Valuation – April 2018 \\$BHGE](#)

Other ModernGraham posts about related companies

- [EOG Resources Inc Valuation – February 2019 \\$EOG](#)
- [ConocoPhillips Valuation – February 2019 \\$COP](#)
- [Devon Energy Corp Valuation – January 2019 \\$DVN](#)
- [Noble Energy Inc Valuation – January 2019 \\$NBL](#)
- [ONEOK Inc Valuation – January 2019 \\$OKE](#)
- [Marathon Oil Corp Valuation – January 2019 \\$MRO](#)
- [HollyFrontier Corp Valuation – January 2019 \\$HFC](#)
- [Hess Corp Valuation – January 2019 \\$HES](#)
- [Cimarex Energy Co Valuation – January 2019 \\$XEC](#)
- [EQT Corp Valuation – January 2019 \\$EQT](#)