

ModernGraham Valuation

Diamondback Energy
Inc



Company Name:

Company Ticker FANG

Date of Analysis

2/18/2019

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	\$17,310,967,500	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.10	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	3900.00%	Pass
6. Moderate PEmg Ratio	PEmg < 20	50.05	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.62	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	1.10	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	31.56	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.11
MG Growth Estimate	7.74%
MG Value	\$50.54
MG Value based on 3% Growth	\$30.57
MG Value based on 0% Growth	\$17.92
Market Implied Growth Rate	20.77%

MG Opinion

Current Price	\$105.50
% of Intrinsic Value	208.73%
Opinion	Overvalued
MG Grade	F

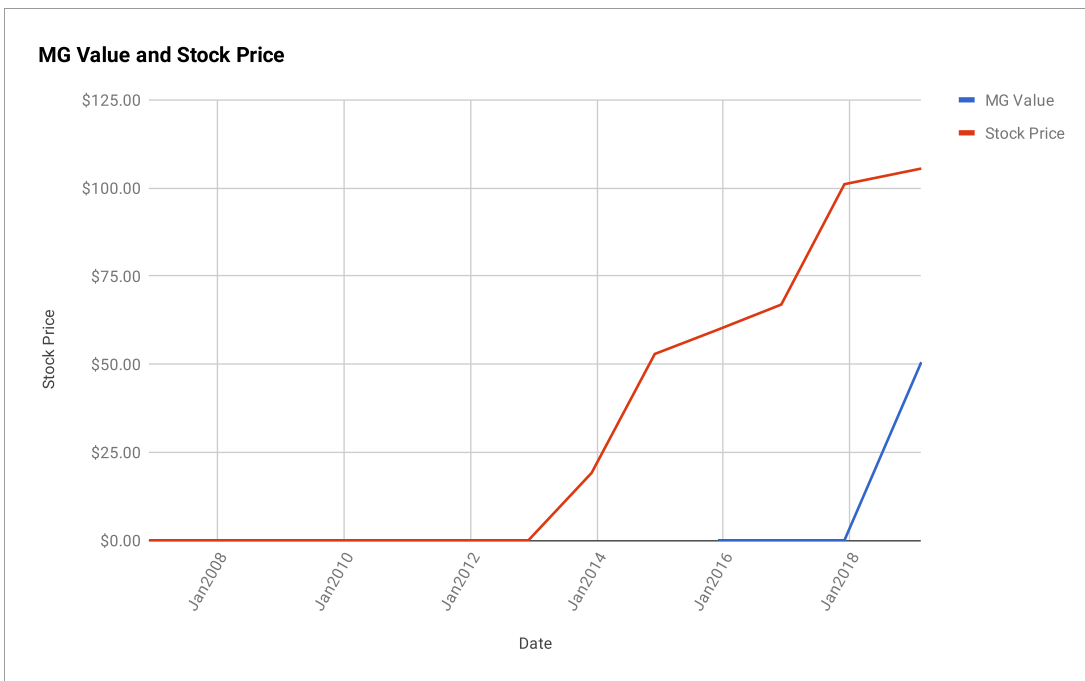
Stage 3: Information for Further Research

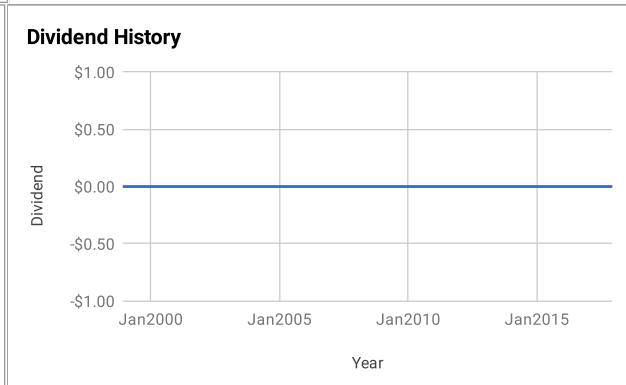
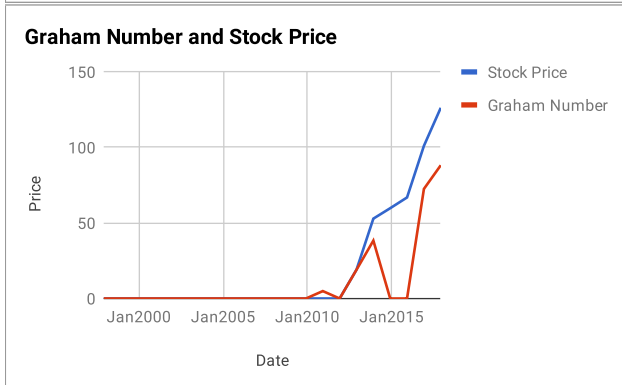
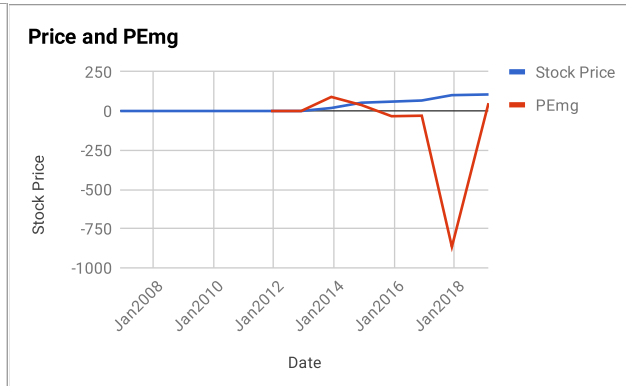
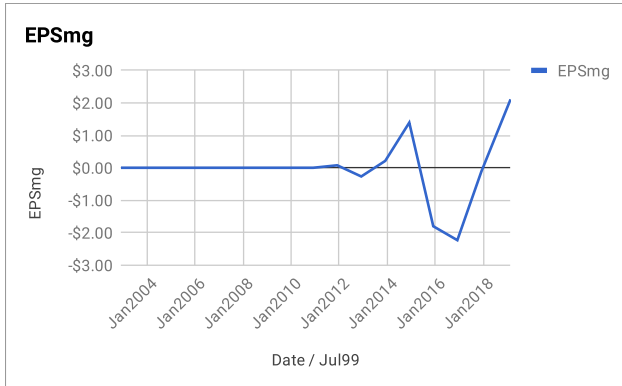
Net Current Asset Value (NCAV)	-\$26.12
Graham Number	\$88.21
PEmg	50.05
Current Ratio	1.10
PB Ratio	1.62
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$6.46	Next Fiscal Year Estimate	\$2.11
Dec2017	\$4.94	Dec2017	-\$0.12
Dec2016	-\$2.20	Dec2016	-\$2.23
Dec2015	-\$8.74	Dec2015	-\$1.80
Dec2014	\$3.64	Dec2014	\$1.39
Dec2013	\$1.29	Dec2013	\$0.21
Dec2012	-\$0.99	Dec2012	-\$0.27
Dec2011	\$0.23	Dec2011	\$0.08
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	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information 9/1/2018	
Dec2000	\$0.00	Total Current Assets	\$795,689,000
Dec1999	\$0.00	Total Current Liabilities	\$721,787,000
Dec1998	\$0.00	Long-Term Debt	\$2,332,359,000
		Total Assets	\$9,806,573,000
		Intangible Assets	\$0
		Total Liabilities	\$3,376,776,000
		Shares Outstanding (Diluted Average)	98,818,000





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 #N/A

- Other ModernGraham posts about related companies
- [Marathon Petroleum Corp Valuation – February 2019 \\$MPC](#)
 - [Baker Hughes, a GE Co Valuation – February 2019 \\$BHGE](#)
 - [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](#)