

# ModernGraham Valuation

Company Name:

Apache Corporation

Company Ticker APA

Date of Analysis

3/27/2019



## 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	\$13,221,778,646	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	-87.12%	Fail
5. Earnings Growth	PEmg < 20	-20.52	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.52	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	1.22	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	16.57	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 Score		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$1.72
MG Growth Estimate	12.93%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$24.89
MG Value based on 0% Growth	-\$14.59
Market Implied Growth Rate	-14.51%

### MG Opinion

Current Price	\$35.22
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

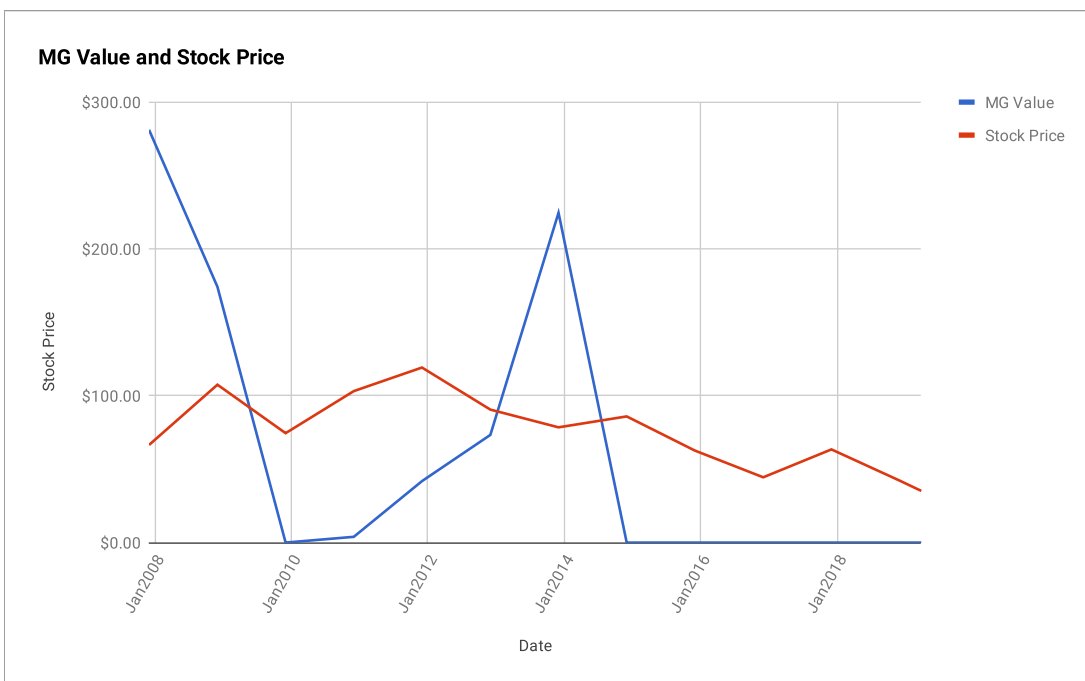
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$26.46
Graham Number	\$0.00
PEmg	-20.52
Current Ratio	1.22
PB Ratio	1.52
Current Dividend	\$1.00
Dividend Yield	2.84%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2018	-\$0.32	Dec2018	-\$1.72
Dec2017	\$0.11	Dec2017	-\$4.90
Dec2016	\$3.41	Dec2016	-\$7.87
Dec2015	-\$3.71	Dec2015	-\$11.83
Dec2014	-\$27.40	Dec2014	-\$12.42
Dec2013	-\$21.76	Dec2013	-\$2.71
Dec2012	\$5.50	Dec2012	\$6.51
Dec2011	\$4.92	Dec2011	\$6.41
Dec2010	\$11.47	Dec2010	\$6.74
Dec2009	\$8.46	Dec2009	\$4.63
Dec2008	-\$0.87	Dec2008	\$3.49
Dec2007	\$2.09	Dec2007	\$5.84
Dec2006	\$8.39	Dec2006	\$7.30
Dec2005	\$7.64	Dec2005	\$6.22
Dec2004	\$7.84	Dec2004	\$5.03
Dec2003	\$5.03	Dec2003	\$3.42
Dec2002	\$3.43	Dec2002	\$2.45
Dec2001	\$1.80	<b>Balance Sheet Information</b>	
Dec2000	\$2.25	<b>12/1/2018</b>	
Dec2000	\$2.46	Total Current Assets	\$2,687,000,000
Dec1999	\$0.75	Total Current Liabilities	\$2,201,000,000
		Long-Term Debt	\$8,054,000,000
		Total Assets	\$21,582,000,000
		Intangible Assets	\$0
		Total Liabilities	\$12,770,000,000
		Shares Outstanding (Diluted Average)	381,000,000





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**

- [Apache Corp Valuation – June 2018 \\$APA](#)
- [Apache Corp Valuation – April 2017 \\$APA](#)
- [Apache Corporation Valuation – January 2016 Update \\$APA](#)
- [32 Companies in the Spotlight This Week – 12/6/14](#)
- [Apache Corporation Annual Valuation – 2014 \\$APA](#)

**Other ModernGraham posts about related companies**

- [Cabot Oil & Gas Corp Valuation – March 2019 #COG](#)
- [Concho Resources Inc Valuation – March 2019 #CXO](#)
- [Valero Energy Corp Valuation – March 2019 #VLO](#)
- [Occidental Petroleum Corp Valuation – March 2019 #OXY](#)
- [Phillips 66 Valuation – March 2019 #PSX](#)
- [Halliburton Co Valuation – March 2019 #HAL](#)
- [Kinder Morgan Inc Valuation – February 2019 \\$KMI](#)
- [National Oilwell Varco Inc Valuation – February 2019 \\$NOV](#)
- [Diamondback Energy Inc Valuation – February 2019 \\$FANG](#)
- [TechnipFMC PLC Valuation – February 2019 \\$FTI](#)