

ModernGraham Valuation



Occidental Petroleum Corporation

Company Name:

Company Ticker OXY

Date of Analysis

3/14/2019

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	\$48,967,841,552	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.34	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		
5. Earnings Growth		-55.40%	Fail
6. Moderate PEmg Ratio	PEmg < 20	42.46	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.31	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	1.34	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.05	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.54
MG Growth Estimate	15.00%
MG Value	\$59.24
MG Value based on 3% Growth	\$22.31
MG Value based on 0% Growth	\$13.08
Market Implied Growth Rate	16.98%

MG Opinion

Current Price	\$65.33
% of Intrinsic Value	110.28%
Opinion	Overvalued
MG Grade	D+

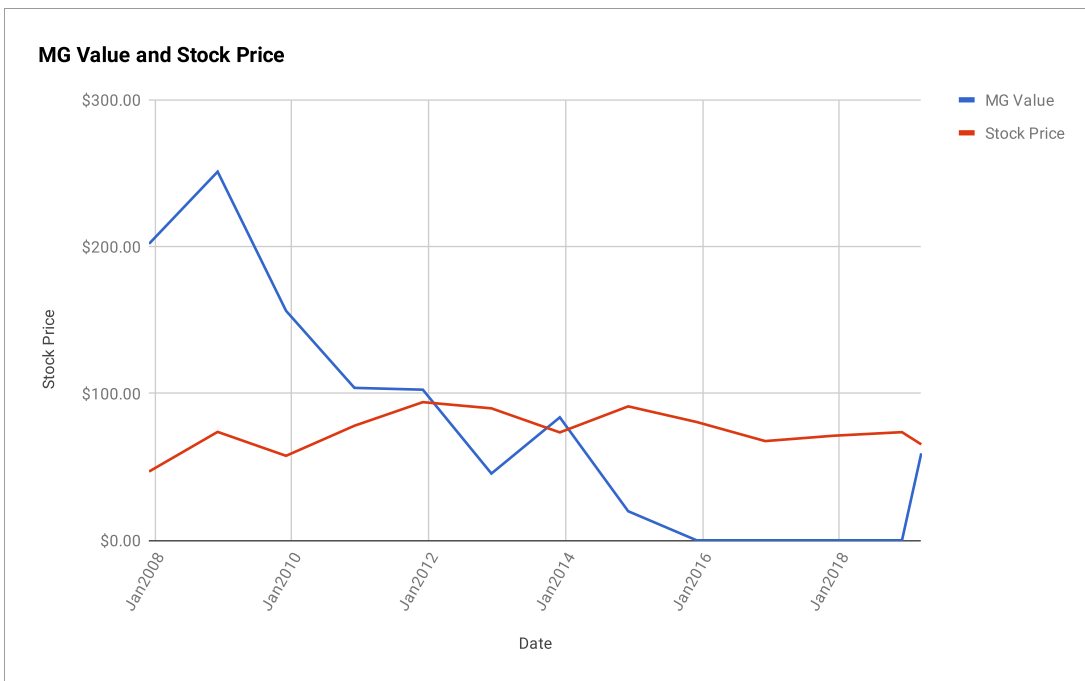
Stage 3: Information for Further Research

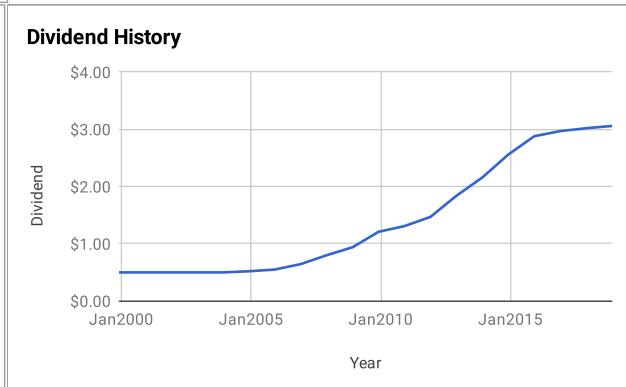
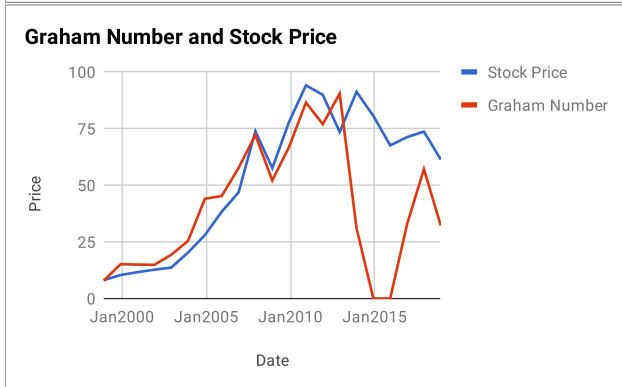
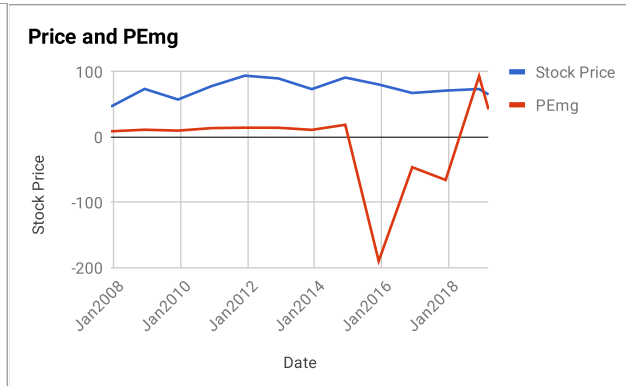
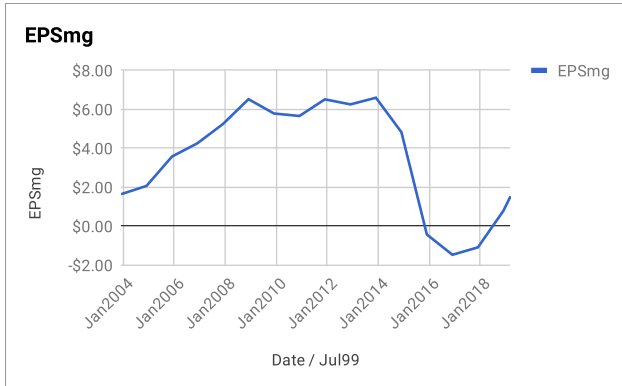
Net Current Asset Value (NCAV)	-\$16.66
Graham Number	\$32.19
PEmg	42.46
Current Ratio	1.34
PB Ratio	2.31
Current Dividend	\$3.10
Dividend Yield	4.75%
Number of Consecutive Years of Dividend Growth	17

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	\$1.63	Next Fiscal Year Estimate	\$1.54
Dec2018	\$5.39	Dec2018	\$0.79
Dec2017	\$1.70	Dec2017	-\$1.09
Dec2016	-\$0.75	Dec2016	-\$1.47
Dec2015	-\$10.23	Dec2015	-\$0.42
Dec2014	\$0.79	Dec2014	\$4.83
Dec2013	\$7.32	Dec2013	\$6.60
Dec2012	\$5.67	Dec2012	\$6.25
Dec2011	\$8.32	Dec2011	\$6.51
Dec2010	\$5.56	Dec2010	\$5.66
Dec2009	\$3.58	Dec2009	\$5.79
Dec2008	\$8.34	Dec2008	\$6.52
Dec2007	\$6.44	Dec2007	\$5.25
Dec2006	\$4.87	Dec2006	\$4.26
Dec2005	\$6.48	Dec2005	\$3.58
Dec2004	\$2.80	Dec2004	\$2.07
Dec2003	\$1.98	Dec2003	\$1.64
Dec2002	\$1.31	Balance Sheet Information 12/1/2018	
Dec2001	\$1.55	Total Current Assets	\$9,932,000,000
Dec2000	\$2.13	Total Current Liabilities	\$7,412,000,000
Dec1999	\$0.62	Long-Term Debt	\$10,201,000,000
		Total Assets	\$43,854,000,000
		Intangible Assets	\$0
		Total Liabilities	\$22,524,000,000
		Shares Outstanding (Diluted Average)	755,800,000





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

- [Occidental Petroleum Corp Valuation – June 2018 \\$OXY](#)
- [Most Overvalued Stocks of the S&P 500 – March 2017](#)
- [Occidental Petroleum Corp Valuation – February 2017 \\$OXY](#)
- [Occidental Petroleum Corp Valuation – August 2016 \\$OXY](#)
- [Occidental Petroleum Corporation – 2015 Update \\$OXY](#)

Other ModernGraham posts about related companies

- [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](#)
- [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](#)