



| Company                  | Ticker | Sector | Industry                   |
|--------------------------|--------|--------|----------------------------|
| Devon Energy Corporation | DVN-US | Energy | Oil Gas & Consumable Fuels |

## Business Description

Devon Energy Corp. engages in the exploration, development, and production of oil and natural gas properties. It develops and operates Delaware Basin, Eagle Ford, Heavy Oil, Barnett Shale, STACK, and Rockies Oil. The company was founded by J. Larry Nichols and John W. Nichols in 1971 and is headquartered in Oklahoma City, OK.

## Price Chart

## Key Info & Metrics



|                                 |                   |
|---------------------------------|-------------------|
| <b>Empirical Research Rank:</b> | <b>2</b>          |
| Date Purchased:                 | 10/05/2020        |
| Price:                          | \$62.21           |
| 52-Week Range:                  | \$51.00 - \$78.04 |
| Dividend Yield:                 | 6.11%             |
| Market Cap (\$M):               | \$40,667          |
| Forward Price-to-Earnings:      | 8                 |
| <b>Total Return</b>             |                   |
| Year-to-Date:                   | 1.1%              |
| 1 Year:                         | 28.0%             |
| 3 Year:                         | 231.1%            |
| 5 Year:                         | 111.5%            |

## Investment Case - Updated: November 6, 2022

Devon Energy is one of the oldest energy companies of the shale era. It grew too aggressively in the early part of this century and had to spend most of the last decade reversing some of that extravagance. By the beginning of the pandemic, it had reduced its assets by over 80 percent. That spirit of austerity carries on today, even as it entered a merger of equals with a peer, WPX Energy. The new Devon has a mantra of operational control and limited growth. Devon was the first in its industry to offer a fixed plus variable dividend structure: about half of free cash flow beyond maintenance production levels is returned to shareholders through extra dividends. This makes Devon's effective yield about three times the stated yield with oil prices at \$65.

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