

# ModernGraham Valuation

## Company Name:

Company Ticker COG  
Date of Analysis 12/10/2015

Cabot Oil & Gas Corporation



## 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	\$7,201,187,253 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.81 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-55.16% Fail
6. Moderate PEmg Ratio	PEmg < 20	80.84 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.46 Fail

*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	0.81 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-40.21 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	Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.22
MG Growth Estimate	-3.97%
<b>MG Value</b>	<b>\$0.12</b>
MG Value based on 3% Growth	\$3.18
MG Value based on 0% Growth	\$1.86
Market Implied Growth Rate	36.17%

### MG Opinion

Current Price	\$17.73
% of Intrinsic Value	14542.33%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

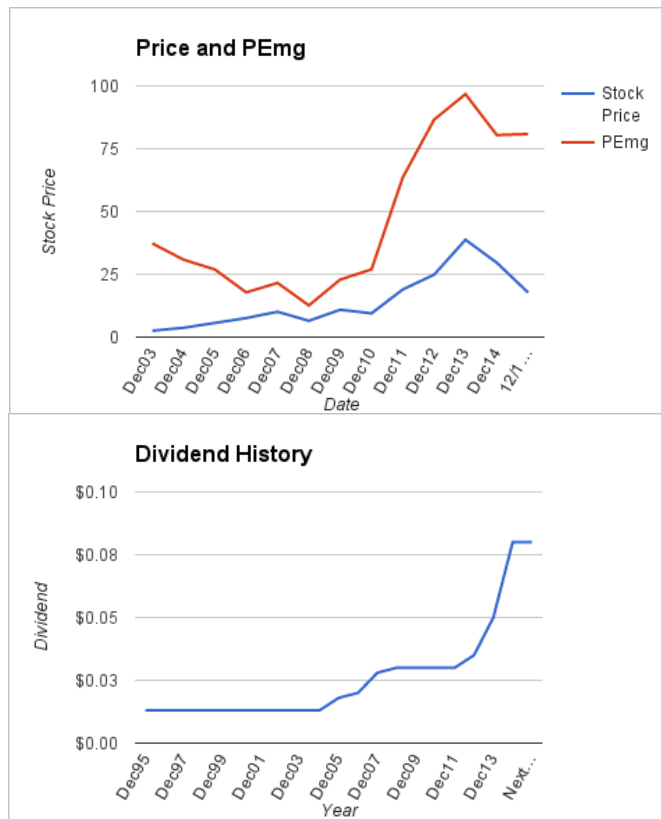
Net Current Asset Value (NCAV)	-\$7.61
Graham Number	#NUM!
PEmg	80.84
Current Ratio	0.81
PB Ratio	3.46
Dividend Yield	0.45%
Number of Consecutive Years of Dividend Growth	4

### 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	-\$0.12	Next Fiscal Year Estimate	\$0.22
Dec14	\$0.25	Dec14	\$0.37
Dec13	\$0.66	Dec13	\$0.40
Dec12	\$0.31	Dec12	\$0.29
Dec11	\$0.29	Dec11	\$0.30
Dec10	\$0.12	Dec10	\$0.35
Dec09	\$0.36	Dec09	\$0.48
Dec08	\$0.52	Dec08	\$0.52
Dec07	\$0.43	Dec07	\$0.47
Dec06	\$0.81	Dec06	\$0.43
Dec05	\$0.37	Dec05	\$0.21
Dec04	\$0.22	Dec04	\$0.12
Dec03	\$0.05	Dec03	\$0.07
Dec02	\$0.04	Dec02	\$0.07
Dec01	\$0.13	Dec01	\$0.08
Dec00	\$0.09	Dec00	\$0.05
Dec99	\$0.02	Dec99	\$0.01
Dec98	\$0.01	<b>Balance Sheet Information Sep15</b>	
Dec97	\$0.08	Total Current Assets	\$215,421,000
Dec96	\$0.06	Total Current Liabilities	\$265,585,000
Dec95	-\$0.34	Long-Term Debt	\$2,017,000,000
		Total Assets	\$5,484,672,000
		Intangible Assets	\$0
		Total Liabilities	\$3,362,935,000
		Shares Outstanding (Diluted Average)	413,846,000





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

[5 Speculative and Overvalued Companies to Avoid – December 2014](#)

[32 Companies in the Spotlight This Week – 12/6/14](#)

[Cabot Oil & Gas Corporation Annual Valuation – 2014 \\$COG](#)

Other  
ModernGraham  
posts about related  
companies

[Helmerich & Payne Inc Valuation – November 2015 Update \\$HP](#)

[Murphy Oil Corporation Valuation – November 2015 Update \\$MUR](#)

[Denbury Resources Inc. Valuation – November 2015 Update \\$DNR](#)

[Western Refining Inc. Valuation – October 2015 Update \\$WNR](#)

[Valero Energy Corporation Valuation – October 2015 Update \\$VLO](#)

[Schlumberger Limited Valuation – October 2015 Update \\$SLB](#)

[National Oilwell Varco Inc. Valuation – October 2015 Update \\$NOV](#)

[Tesoro Corporation Analysis – October 2015 Update \\$TSO](#)

[Cameron International Company Analysis – September 2015 Update \\$CAM](#)

[Halliburton Company Analysis – September 2015 Update \\$HAL](#)