

ModernGraham Valuation

Company Name:

Phillips 66

Company Ticker PSX

Date of Analysis

3/21/2016



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	\$47,715,140,361	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.63	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	71300.00%	Pass
6. Moderate PEmg Ratio	PEmg < 20	13.25	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.12	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	1.63	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.87	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$6.75
MG Growth Estimate	8.02%
MG Value	\$165.62
MG Value based on 3% Growth	\$97.86
MG Value based on 0% Growth	\$57.36
Market Implied Growth Rate	2.38%

MG Opinion

Current Price	\$89.42
% of Intrinsic Value	53.99%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

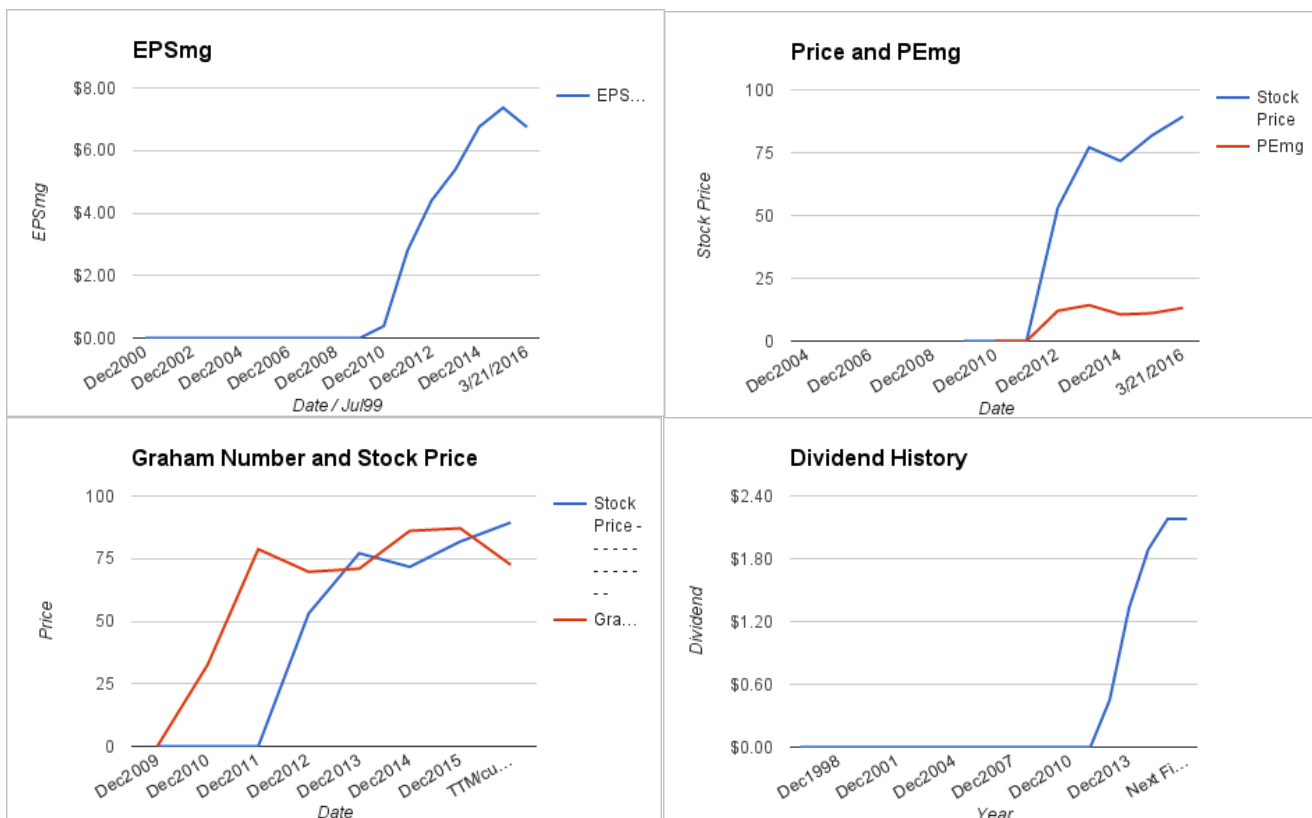
Net Current Asset Value (NCAV)	-\$24.18
Graham Number	\$72.54
PEmg	13.25
Current Ratio	1.63
PB Ratio	2.12
Dividend Yield	2.44%
Number of Consecutive Years of Dividend Growth	5

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	\$5.36	Next Fiscal Year Estimate	\$6.75
Dec2015	\$7.73	Dec2015	\$7.37
Dec2014	\$8.33	Dec2014	\$6.76
Dec2013	\$6.02	Dec2013	\$5.39
Dec2012	\$6.48	Dec2012	\$4.40
Dec2011	\$7.52	Dec2011	\$2.82
Dec2010	\$1.16	Dec2010	\$0.39
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	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information Dec2015	
Dec1998	\$0.00	Total Current Assets	\$12,256,000,000
Dec1997	\$0.00	Total Current Liabilities	\$7,531,000,000
Dec1996	\$0.00	Long-Term Debt	\$8,843,000,000
		Total Assets	\$48,580,000,000
		Intangible Assets	\$4,181,000,000
		Total Liabilities	\$25,480,000,000
		Shares Outstanding (Diluted Average)	546,977,000





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.

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[Apache Corporation Valuation – January 2016 Update \\$APA](#)
[Anadarko Petroleum Corp Valuation – January 2016 Update \\$APC](#)
[Cabot Oil & Gas Corp Valuation – December 2015 Update \\$COG](#)
[Helmerich & Payne Inc Valuation – November 2015 Update \\$HP](#)
[Murphy Oil Corporation Valuation – November 2015 Update \\$MUR](#)
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