

ModernGraham Valuation

Company Name:

Hess Corp.

Company Ticker HES

Date of Analysis

7/9/2016



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	\$18,097,958,502	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.25	Pass
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	-159.80%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-59.63	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.83	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	2.25	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.36	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.95
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$13.81
MG Value based on 0% Growth	-\$8.10
Market Implied Growth Rate	-34.07%

MG Opinion

Current Price	\$56.81
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$30.90
Graham Number	\$0.00
PEmg	-59.63
Current Ratio	2.25
PB Ratio	0.83
Current Dividend	\$1.00
Dividend Yield	1.76%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$5.87	Next Fiscal Year Estimate	-\$0.95
Dec2015	-\$10.78	Dec2015	\$2.51
Dec2014	\$7.53	Dec2014	\$8.75
Dec2013	\$14.82	Dec2013	\$8.54
Dec2012	\$5.95	Dec2012	\$5.40
Dec2011	\$5.01	Dec2011	\$5.20
Dec2010	\$6.47	Dec2010	\$5.38
Dec2009	\$2.27	Dec2009	\$4.91
Dec2008	\$7.24	Dec2008	\$5.90
Dec2007	\$5.74	Dec2007	\$4.91
Dec2006	\$6.07	Dec2006	\$3.98
Dec2005	\$3.98	Dec2005	\$2.77
Dec2004	\$3.19	Dec2004	\$2.24
Dec2003	\$2.37	Dec2003	\$1.87
Dec2002	-\$0.83	Dec2002	\$1.50
Dec2001	\$3.42	Dec2001	\$2.25
Dec2000	\$3.79	Dec2000	\$1.52
Dec1999	\$1.62	Balance Sheet Information 3/1/2016	
Dec1998	-\$1.71	Total Current Assets	\$4,945,000,000
Dec1997	\$0.03	Total Current Liabilities	\$2,193,000,000
Dec1996	\$2.36	Long-Term Debt	\$6,498,000,000
		Total Assets	\$34,808,000,000
		Intangible Assets	\$375,000,000
		Total Liabilities	\$14,210,000,000
		Shares Outstanding (Diluted Average)	299,800,000





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

[47 Companies in the Spotlight This Week – 5/16/15](#)

[Hess Corporation Annual Valuation – 2015 \\$HES](#)

[10 Companies Benjamin Graham Would Invest In Today – May 2015](#)

[5 Most Undervalued Companies for the Defensive Investor – April 2015](#)

[5 Companies to Research with the Lowest PEmg Ratio for the Defensive Investor – March 2015](#)

Other
ModernGraham
posts about related
companies

[EQT Corporation Valuation – July 2016 \\$EQT](#)

[QEP Resources Inc Valuation – July 2016 \\$QEP](#)

[Suburban Propane Partners Valuation – June 2016 \\$SPH](#)

[Spectra Energy Corp Valuation – June 2016 \\$SE](#)

[Helmerich & Payne Inc Valuation – June 2016 \\$HP](#)

[Chesapeake Energy Corp Valuation – June 2016 \\$CHK](#)

[AGL Resources Inc Valuation – June 2016 \\$GAS](#)

[Pioneer Natural Resources Valuation – June 2016 \\$PXD](#)

[Williams Companies Inc Valuation – June 2016 \\$WMB](#)

[Western Refining Inc. Valuation – June 2016 \\$WNR](#)