ModernGraham Valuation

Company Name:

Company Ticker HES Date of Analysis Hess Corp.



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; mu	ist 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

Yahoo Finance

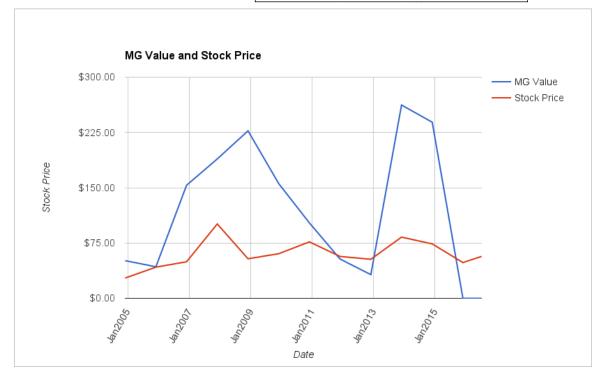
	Net Current Asset Value (NCAV)		-\$30.90
	Graham Number		\$0.00
	PEmg		-59.63
	Current Ratio		2.25
	PB Ratio		0.83
	Current Dividend		\$1.00
	Dividend Yield		1.76%
	Number of Consecutive Years of Dividend Growth		0
Useful Links:	ModernGraham tagged articles	Morningstar	
	Google Finance	MSN Money	

Seeking Alpha

GuruFocus

SEC Filings

EPS History		EPSmg History	
Next Fiscal Year	* 5.07		* 0.05
Estimate		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	\$4.9
Dec2008	\$7.24	Dec2008	\$5.9
Dec2007	\$5.74	Dec2007	\$4.9
Dec2006	\$6.07	Dec2006	\$3.9
Dec2005	\$3.98	Dec2005	\$2.7
Dec2004	\$3.19	Dec2004	\$2.2
Dec2003	\$2.37	Dec2003	\$1.8
Dec2002	-\$0.83	Dec2002	\$1.5
Dec2001	\$3.42	Dec2001	\$2.2
Dec2000	\$3.79	Dec2000	\$1.5
Dec1999	\$1.62	Balance Sheet Information	3/1/201
Dec1998	-\$1.71	Total Current Assets	\$4,945,000,00
Dec1997	\$0.03	Total Current Liabilities	\$2,193,000,00
Dec1996	\$2.36	Long-Term Debt	\$6,498,000,00
		Total Assets	\$34,808,000,00
		Intangible Assets	\$375,000,00
		Total Liabilities	\$14,210,000,00
		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	47 Companies in the Spotlight This Week – 5/16/15
ModernGraham posts about the	Hess Corporation Annual Valuation – 2015 \$HES
company	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 Cristian	EQT Corporation Valuation – July 2016 \$EQT
ModernGraham posts about related	QEP Resources Inc Valuation – July 2016 \$QEP
companies	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