ModernGraham Valuation

Company Name:

QEP Resources Inc



Company Ticker QEP

Date of Analysis 7/1/2016

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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$4,187,601,554 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.33 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	1.80% Fail
6. Moderate PEmg Ratio	PEmg < 20	87.65 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.00 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	2.33 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.31 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	\$0.21
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$3.03
MG Value based on 0% Growth	\$1.77
Market Implied Growth Rate	39.58%

MG Opinion

Current Price \$18.29

% of Intrinsic Value N/A

Opinion Overvalued

MG Grade F

Stage 3: Information for Further Research

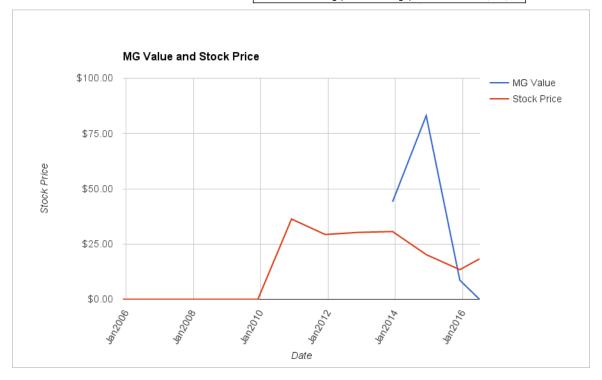
Net Current Asset Value (NCAV)	-\$14.55
Graham Number	\$0.00
PEmg	87.65
Current Ratio	2.33
PB Ratio	1.00
Current Dividend	\$0.08
Dividend Yield	0.44%
Number of Consecutive Years of Dividend Growth	0

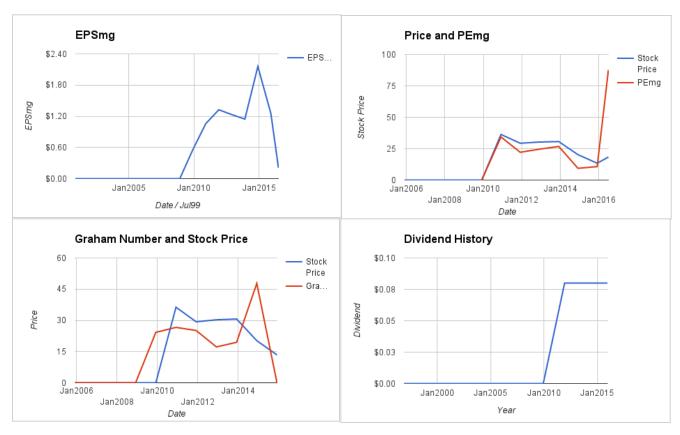
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GuruFocus SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	¢1 01	Next Fiscal Year Estimate	\$0.21
	, -		
Dec2015	-\$0.85		\$1.25
Dec2014	\$4.36	Dec2014	\$2.16
Dec2013	\$0.89	Dec2013	\$1.15
Dec2012	\$0.72	Dec2012	\$1.23
Dec2011	\$1.50	Dec2011	\$1.32
Dec2010	\$1.84	Dec2010	\$1.06
Dec2009	\$1.67	Dec2009	\$0.56
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	3/1/2016
Dec1998	\$0.00	Total Current Assets	\$1,065,200,000
Dec1997	\$0.00	Total Current Liabilities	\$456,600,000
Dec1996	\$0.00	Long-Term Debt	\$2,016,200,000
		Total Assets	\$7,282,600,000
		Intangible Assets	\$0
		Total Liabilities	\$3,824,900,000
		Shares Outstanding (Diluted Average)	189,700,000





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

40 Companies in the Spotlight This Week – 2/21/15
QEP Resources Inc. Annual Valuation – 2015 \$QEP
15 Companies in the Spotlight This Week – 2/8/14

QEP Resources (QEP) Annual Valuation

Other ModernGraham posts about related 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

Cameron International Company Valuation – May 2016 \$CAM

FMC Technologies Inc Valuation – March 2016 \$FTI