

# 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.*

1. 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
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at 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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.21
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
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
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

## 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

### 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>

EPS History		EPSmg History	
Next Fiscal Year Estimate	-1.81	Next Fiscal Year Estimate	\$0.21
Dec2015	-\$0.85	Dec2015	\$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	<b>Balance Sheet Information 3/1/2016</b>	
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](#)