

# ModernGraham Valuation

Cabot Oil & Gas Corporation



Company Name:

Company Ticker COG

Date of Analysis

3/16/2017

## 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	\$10,581,334,679	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.78	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
5. Earnings Growth		-193.75%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-127.50	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.96	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	2.78	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.32	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 Score		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.17
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$2.53
MG Value based on 0% Growth	-\$1.48
Market Implied Growth Rate	-68.00%

### MG Opinion

Current Price	\$22.27
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

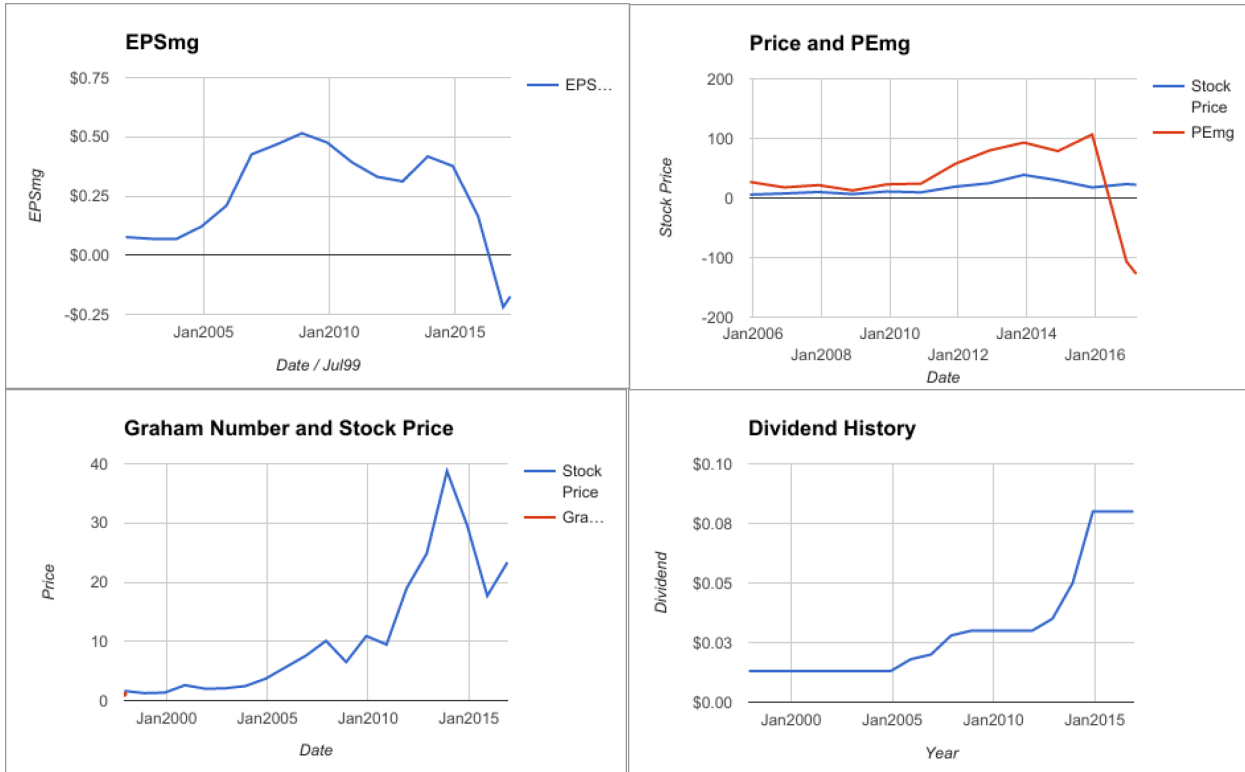
Net Current Asset Value (NCAV)	-\$4.03
Graham Number	\$4.17
PEmg	-127.50
Current Ratio	2.78
PB Ratio	3.96
Current Dividend	\$0.08
Dividend Yield	0.36%
Number of Consecutive Years of Dividend Growth	0

### 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>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.14	Next Fiscal Year Estimate	-\$0.17
Dec2016	-\$0.91	Dec2016	-\$0.22
Dec2015	-\$0.28	Dec2015	\$0.17
Dec2014	\$0.25	Dec2014	\$0.38
Dec2013	\$0.66	Dec2013	\$0.42
Dec2012	\$0.31	Dec2012	\$0.31
Dec2011	\$0.29	Dec2011	\$0.33
Dec2010	\$0.25	Dec2010	\$0.39
Dec2009	\$0.36	Dec2009	\$0.48
Dec2008	\$0.52	Dec2008	\$0.52
Dec2007	\$0.43	Dec2007	\$0.47
Dec2006	\$0.81	Dec2006	\$0.43
Dec2005	\$0.37	Dec2005	\$0.21
Dec2004	\$0.22	Dec2004	\$0.12
Dec2003	\$0.05	Dec2003	\$0.07
Dec2002	\$0.04	Dec2002	\$0.07
Dec2001	\$0.13	Dec2001	\$0.08
Dec2000	\$0.09	<b>Balance Sheet Information 12/1/2016</b>	
Dec1999	\$0.02	Total Current Assets	\$715,881,000
Dec1998	\$0.01	Total Current Liabilities	\$257,812,000
Dec1997	\$0.08	Long-Term Debt	\$1,520,530,000
		Total Assets	\$5,122,569,000
		Intangible Assets	\$0
		Total Liabilities	\$2,554,902,000
		Shares Outstanding (Diluted Average)	456,847,000





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**

- [Cabot Oil & Gas Corp Valuation – December 2015 Update \\$COG](#)
- [5 Speculative and Overvalued Companies to Avoid – December 2014](#)
- [32 Companies in the Spotlight This Week – 12/6/14](#)
- [Cabot Oil & Gas Corporation Annual Valuation – 2014 \\$COG](#)

**Other ModernGraham posts about related companies**

- [CARBO Ceramics Inc Valuation – Initial Coverage \\$CRR](#)
- [Concho Resources Inc Valuation – Initial Coverage \\$CXO](#)
- [Murphy Oil Corporation Valuation – March 2017 \\$MUR](#)
- [Suncor Energy Inc Valuation – Initial Coverage \\$TSE:SU](#)
- [CST Brands Inc Valuation – Initial Coverage \\$CST](#)
- [Valero Energy Corp Valuation – February 2017 \\$VLO](#)
- [Tidewater Inc Valuation – February 2017 \\$TDW](#)
- [Occidental Petroleum Corp Valuation – February 2017 \\$OXY](#)
- [Carrizo Oil & Gas Inc Valuation – Initial Coverage \\$CRZO](#)
- [Denbury Resources Inc Valuation – February 2017 \\$DNR](#)