

ModernGraham Valuation

Company Name:

Hess Corp.

Company Ticker HES

Date of Analysis

3/25/2018



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	\$15,582,549,729	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.53	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	-364.15%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-5.20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.40	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	2.53	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.72	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$9.51
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$137.91
MG Value based on 0% Growth	-\$80.85
Market Implied Growth Rate	-6.85%

MG Opinion

Current Price	\$49.46
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

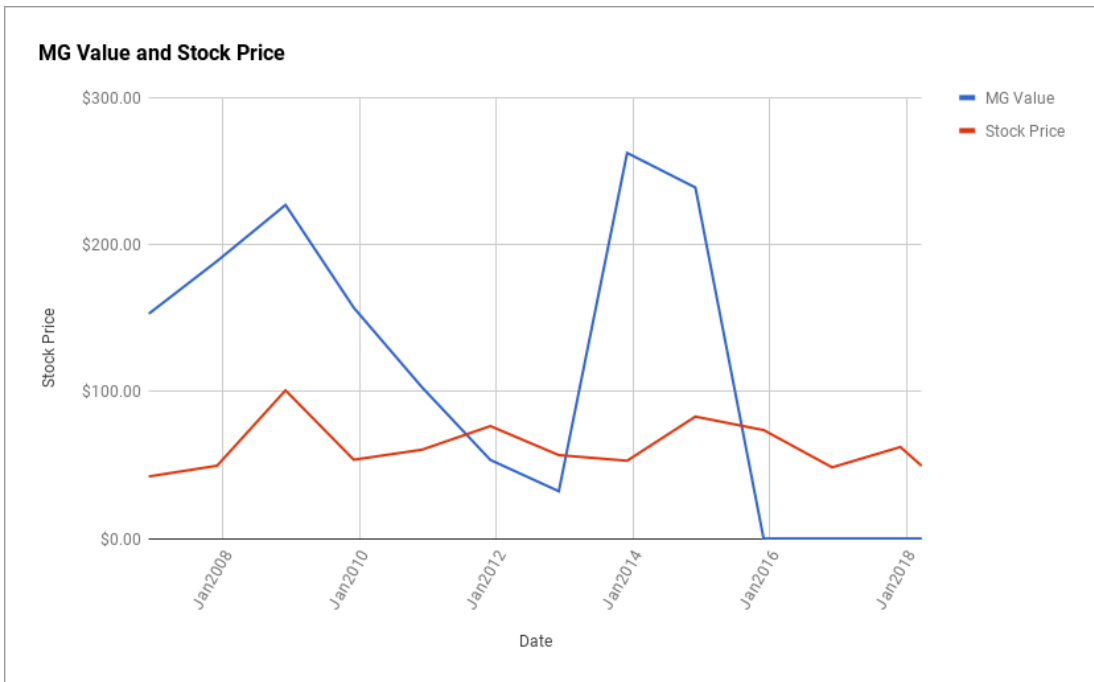
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$18.83
Graham Number	\$0.00
PEmg	-5.20
Current Ratio	2.53
PB Ratio	1.40
Current Dividend	\$1.00
Dividend Yield	2.02%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	-\$3.28	Dec2017	-\$9.51
Dec2016	-\$13.12	Dec2016	-\$9.85
Dec2015	-\$19.92	Dec2015	-\$5.64
Dec2014	-\$10.78	Dec2014	\$2.51
Dec2013	\$7.53	Dec2013	\$8.75
Dec2012	\$14.82	Dec2012	\$8.54
Dec2011	\$5.95	Dec2011	\$5.40
Dec2010	\$5.01	Dec2010	\$5.20
Dec2009	\$6.47	Dec2009	\$5.38
Dec2008	\$2.27	Dec2008	\$4.91
Dec2007	\$7.24	Dec2007	\$5.90
Dec2006	\$5.74	Dec2006	\$4.90
Dec2005	\$6.08	Dec2005	\$3.97
Dec2004	\$3.93	Dec2004	\$2.75
Dec2003	\$3.19	Dec2003	\$2.24
Dec2002	\$2.37	Dec2002	\$1.87
Dec2001	-\$0.83	Dec2001	\$1.50
Dec2000	\$3.42	Balance Sheet Information 12/1/2017	
Dec1999	\$3.79	Total Current Assets	\$6,157,000,000
Dec1998	\$1.62	Total Current Liabilities	\$2,435,000,000
	-\$1.71	Long-Term Debt	\$6,397,000,000
		Total Assets	\$23,112,000,000
		Intangible Assets	\$360,000,000
		Total Liabilities	\$12,061,000,000
		Shares Outstanding (Diluted Average)	313,500,000





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 – March 2018 \\$EQT](#)
- [Helmerich & Payne Inc Valuation – March 2018 \\$HP](#)
- [Chesapeake Energy Corp Valuation – March 2018 \\$CHK](#)
- [Williams Companies Inc Valuation – March 2018 \\$WMB](#)
- [Exxon Mobil Corp Valuation – February 2018 \\$XOM](#)
- [Chevron Corp Valuation – February 2018 \\$CVX](#)
- [Seven Generations Energy Ltd Valuation – Initial Coverage \\$TSE:VII](#)
- [Pioneer Natural Resources Valuation – September 2017 \\$PXD](#)
- [Gulfport Energy Corp Valuation – Initial Coverage \\$GPOR](#)
- [Schlumberger Limited Valuation – July 2017 \\$SLB](#)