

ModernGraham Valuation

Company Name:

EOG Resources Inc

Company Ticker EOG

Date of Analysis

4/7/2018



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	\$58,980,560,202	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.20	Fail
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	37.68%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	127.52	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.63	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	1.20	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	10.89	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	\$0.80
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$11.59
MG Value based on 0% Growth	\$6.79
Market Implied Growth Rate	59.51%

MG Opinion

Current Price	\$101.93
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

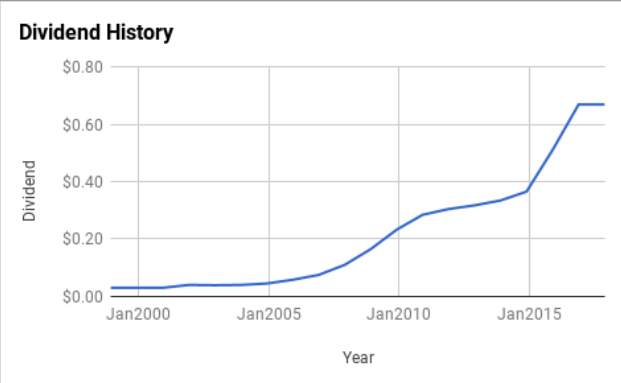
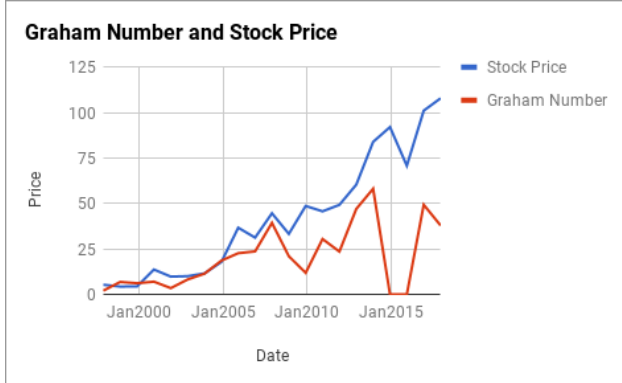
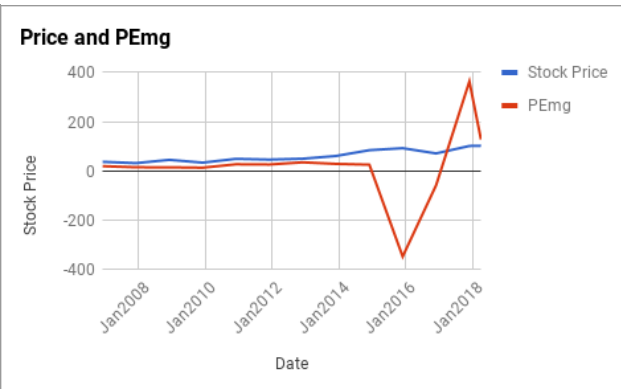
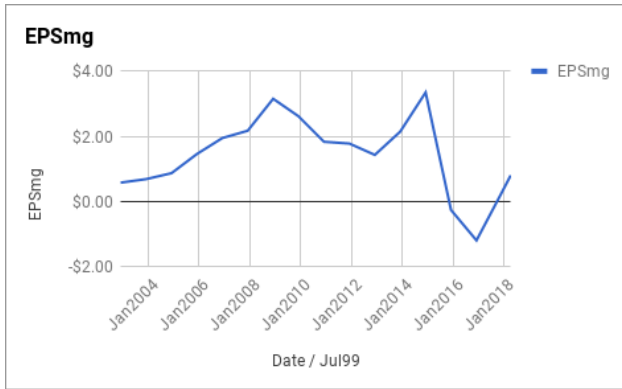
Net Current Asset Value (NCAV)	-\$17.73
Graham Number	\$37.93
PEmg	127.52
Current Ratio	1.20
PB Ratio	3.63
Current Dividend	\$0.67
Dividend Yield	0.66%
Number of Consecutive Years of Dividend Growth	0

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	\$2.27	Next Fiscal Year Estimate	\$0.80
Dec2017	\$4.46	Dec2017	\$0.28
Dec2016	-\$1.98	Dec2016	-\$1.20
Dec2015	-\$8.29	Dec2015	-\$0.26
Dec2014	\$5.32	Dec2014	\$3.35
Dec2013	\$4.02	Dec2013	\$2.14
Dec2012	\$1.05	Dec2012	\$1.43
Dec2011	\$2.05	Dec2011	\$1.78
Dec2010	\$0.32	Dec2010	\$1.83
Dec2009	\$1.09	Dec2009	\$2.62
Dec2008	\$4.86	Dec2008	\$3.15
Dec2007	\$2.19	Dec2007	\$2.17
Dec2006	\$2.62	Dec2006	\$1.95
Dec2005	\$2.57	Dec2005	\$1.46
Dec2004	\$1.29	Dec2004	\$0.87
Dec2003	\$0.90	Dec2003	\$0.68
Dec2002	\$0.16	Dec2002	\$0.58
Dec2001	\$0.83	Balance Sheet Information 12/1/2017	
Dec2000	\$0.81	Total Current Assets	\$3,279,108,000
Dec1999	\$1.00	Total Current Liabilities	\$2,725,542,000
Dec1998	\$0.09	Long-Term Debt	\$6,030,836,000
		Total Assets	\$29,833,078,000
		Intangible Assets	\$0
		Total Liabilities	\$13,549,805,000
		Shares Outstanding (Diluted Average)	579,413,000





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

- [EOG Resources Analysis – 2015 Annual Update \\$EOG](#)
- [15 Companies in the Spotlight This Week – 5/31/14](#)
- [EOG Resources Inc. 2014 Annual Valuation \\$EOG](#)

Other ModernGraham posts about related companies

- [ConocoPhillips Valuation – April 2018 \\$COP](#)
- [Devon Energy Corp Valuation – March 2018 \\$DVN](#)
- [Noble Energy Inc Valuation – March 2018 \\$NBL](#)
- [ONEOK Inc Valuation – March 2018 \\$OKE](#)
- [Marathon Oil Corp Valuation – March 2018 \\$MRO](#)
- [Hess Corp Valuation – March 2018 \\$HES](#)
- [Cimarex Energy Co Valuation – Initial Coverage \\$XEC](#)
- [EQT Corporation Valuation – March 2018 \\$EQT](#)
- [Helmerich & Payne Inc Valuation – March 2018 \\$HP](#)
- [Chesapeake Energy Corp Valuation – March 2018 \\$CHK](#)