# **ModernGraham Valuation**

## **Company Name:**

Company Ticker PSX Date of Analysis Phillips 66



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

4/12/2018

Defensive Investor; must pass 6 out of the following 7 tests.

Bereneive investor, mast	cabe e cat er the following r teete.			
1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$47,858,944,758	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.42	Fail
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	60800.00%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	15.48	Pass
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.10	Pass
Enterprising Investor; mus	st pass 4 out of the following 5 tests, or be s	uitable for the Defensive Investor.		
1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.42	Fail
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.35	Fail

2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.35 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass
	Score	

#### Suitability

Defensive	No
Enterprising	No

#### Stage 2: Determination of Intrinsic Value

	EPSmg		\$6.63
	MG Growth Estimate		2.51%
	MG Value		\$89.70
	MG Value based on 3% Growth		\$96.14
	MG Value based on 0% Growth		\$56.36
	Market Implied Growth Rate		3.49%
MG Opinion			
	Current Price		\$102.63
	% of Intrinsic Value		114.41%
	Opinion	Overvalued	
	MG Grade	D+	

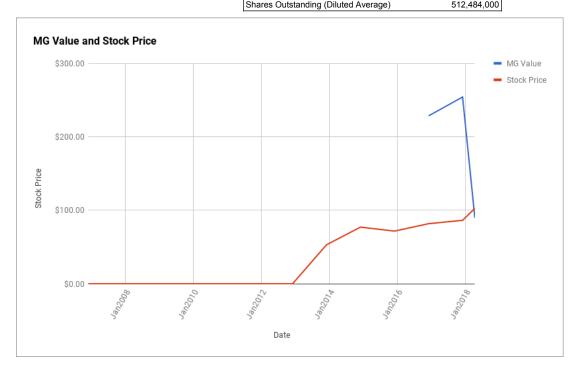
### Stage 3: Information for Further Research

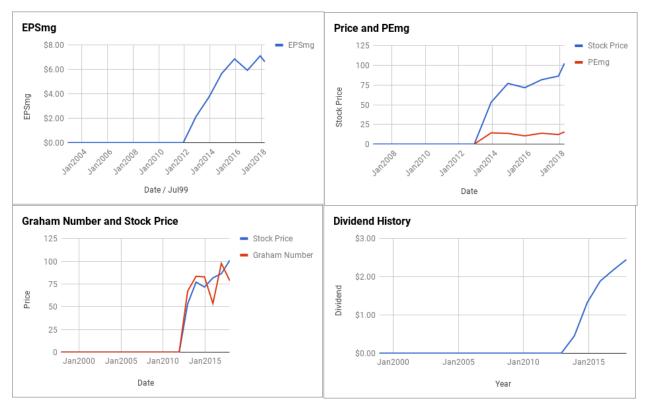
Net Current Asset Value (NCAV)	-\$29.07
Graham Number	\$78.62
PEmg	15.48
Current Ratio	1.42
PB Ratio	2.10
Current Dividend	\$2.73
Dividend Yield	2.66%
Number of Consecutive Years of Dividend	
Growth	6

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$5.50	Next Fiscal Year Estimate	\$6.63
Dec2017	\$9.85	Dec2017	\$7.12
Dec2016	\$2.92	Dec2016	\$5.94
Dec2015	\$7.73	Dec2015	\$6.87
Dec2014	\$8.33	Dec2014	\$5.68
Dec2013	\$6.02	Dec2013	\$3.73
Dec2012	\$6.48	Dec2012	\$2.16
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
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	Balance Sheet Information	12/1/2017
Dec2000	\$0.00	Total Current Assets	\$14,390,000,000
Dec1999	\$0.00	Total Current Liabilities	\$10,107,000,000
Dec1998	\$0.00	Long-Term Debt	\$10,069,000,000
		Total Assets	\$54,371,000,000
		Intangible Assets	\$4,146,000,000
		Total Liabilities	\$29,286,000,000
		Shares Outstanding (Diluted Average)	512,484,000





#### 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	10 Best Dividend Paying Stocks for the Enterprising Investor – August 2016	
	5 Undervalued Stocks Near Lows for Enterprising Value Investors – Aug 2016	
	<u> 10 Companies Benjamin Graham Would Invest In Today – June 2016</u>	
	Phillips 66 Valuation – March 2016 \$PSX	
	27 Companies in the Spotlight This Week – 12/20/14	
Other ModernGraham posts about related companies	EOG Resources Inc Valuation – April 2018 \$EOG	
	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