

ModernGraham Valuation

Company Name:

Phillips 66

Company Ticker PSX

Date of Analysis

4/12/2018



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	\$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
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
5. Earnings Growth		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; 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	1.42	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	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	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](#)
- [10 Companies Benjamin Graham Would Invest In Today – June 2016](#)
- [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](#)