

ModernGraham Valuation

Company Name:

QEP Resources Inc

Company Ticker QEP

Date of Analysis

6/30/2018



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	\$2,900,088,097	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.24	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	-206.19%	Fail
5. Earnings Growth	PEmg < 20	-13.31	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.80	Fail
7. Moderate Price to Assets			

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	0.24	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-5.31	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.92
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$13.36
MG Value based on 0% Growth	-\$7.83
Market Implied Growth Rate	-10.90%

MG Opinion

Current Price	\$12.26
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.62
Graham Number	\$0.00
PEmg	-13.31
Current Ratio	0.24
PB Ratio	0.80
Current Dividend	\$0.00
Dividend Yield	0.00%
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	-\$0.82	Dec2017	-\$0.92
Dec2016	\$1.12	Dec2016	-\$0.65
Dec2015	-\$5.62	Dec2015	-\$1.06
Dec2014	-\$0.85	Dec2014	\$1.25
Dec2013	\$4.36	Dec2013	\$2.16
Dec2012	\$0.89	Dec2012	\$1.15
Dec2011	\$0.72	Dec2011	\$1.23
Dec2010	\$1.50	Dec2010	\$1.32
Dec2009	\$1.84	Dec2009	\$1.06
Dec2008	\$1.67	Dec2008	\$0.56
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	
Dec2000	\$0.00	3/1/2018	
Dec1999	\$0.00	Total Current Assets	\$149,800,000
Dec1998	\$0.00	Total Current Liabilities	\$613,000,000
		Long-Term Debt	\$2,458,100,000
		Total Assets	\$7,608,600,000
		Intangible Assets	\$0
		Total Liabilities	\$3,911,900,000
		Shares Outstanding (Diluted Average)	240,900,000





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:

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company

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[40 Companies in the Spotlight This Week – 2/21/15](#)
[QEP Resources Inc. Annual Valuation – 2015 \\$QEP](#)
[15 Companies in the Spotlight This Week – 2/8/14](#)
[QEP Resources \(QEP\) Annual Valuation](#)

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[Occidental Petroleum Corp Valuation – June 2018 \\$OXY](#)
[Andeavor Valuation – May 2018 \\$ANDV](#)
[Halliburton Co Valuation – May 2018 \\$HAL](#)
[National Oilwell Varco Inc Valuation – May 2018 \\$NOV](#)
[Newfield Exploration Co Valuation – May 2018 \\$NFX](#)
[Kinder Morgan Inc Valuation – May 2018 \\$KMI](#)
[Range Resources Corp Valuation – May 2018 \\$RRC](#)