

ModernGraham Valuation

Company Name:

Hess Corp.

Company Ticker HES

Date of Analysis

1/24/2019



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	\$15,319,242,358	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.30	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	-351.35%	Fail
5. Earnings Growth	PEmg < 20	-5.79	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.38	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	2.30	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.60	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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$8.92
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$129.41
MG Value based on 0% Growth	-\$75.86
Market Implied Growth Rate	-7.15%

MG Opinion

Current Price	\$51.68
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$20.12
Graham Number	\$0.00
PEmg	-5.79
Current Ratio	2.30
PB Ratio	1.38
Current Dividend	\$1.00
Dividend Yield	1.93%
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	-\$1.52	Dec2017	-\$8.92
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	
Dec1999	\$3.79	9/1/2018	
Dec1998	\$1.62	Total Current Assets	\$4,501,000,000
	-\$1.71	Total Current Liabilities	\$1,958,000,000
		Long-Term Debt	\$6,609,000,000
		Total Assets	\$21,467,000,000
		Intangible Assets	\$360,000,000
		Total Liabilities	\$10,421,000,000
		Shares Outstanding (Diluted Average)	294,300,000





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.

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[Exxon Mobil Corp Valuation – November 2018 \\$XOM](#)
[Chevron Corp Valuation – November 2018 \\$CVX](#)
[Cenovus Energy Inc Valuation – October 2018 \\$TSE-CVE](#)
[CNX Resources Corp Valuation – September 2018 \\$CNX](#)
[Carbo Ceramics Inc Valuation – August 2018 \\$CRR](#)
[Murphy Oil Corp Valuation – August 2018 \\$MUR](#)
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