

ModernGraham Valuation

Company Name:

Company Ticker COG

Date of Analysis

3/23/2019

Cabot Oil & Gas
Corporation



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	\$10,990,606,932	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.90	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	240.83%	Pass
5. Earnings Growth	PEmg < 20	36.67	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.39	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	1.90	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.77	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		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.71
MG Growth Estimate	15.00%
MG Value	\$27.26
MG Value based on 3% Growth	\$10.27
MG Value based on 0% Growth	\$6.02
Market Implied Growth Rate	14.08%

MG Opinion

Current Price	\$25.96
% of Intrinsic Value	95.24%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

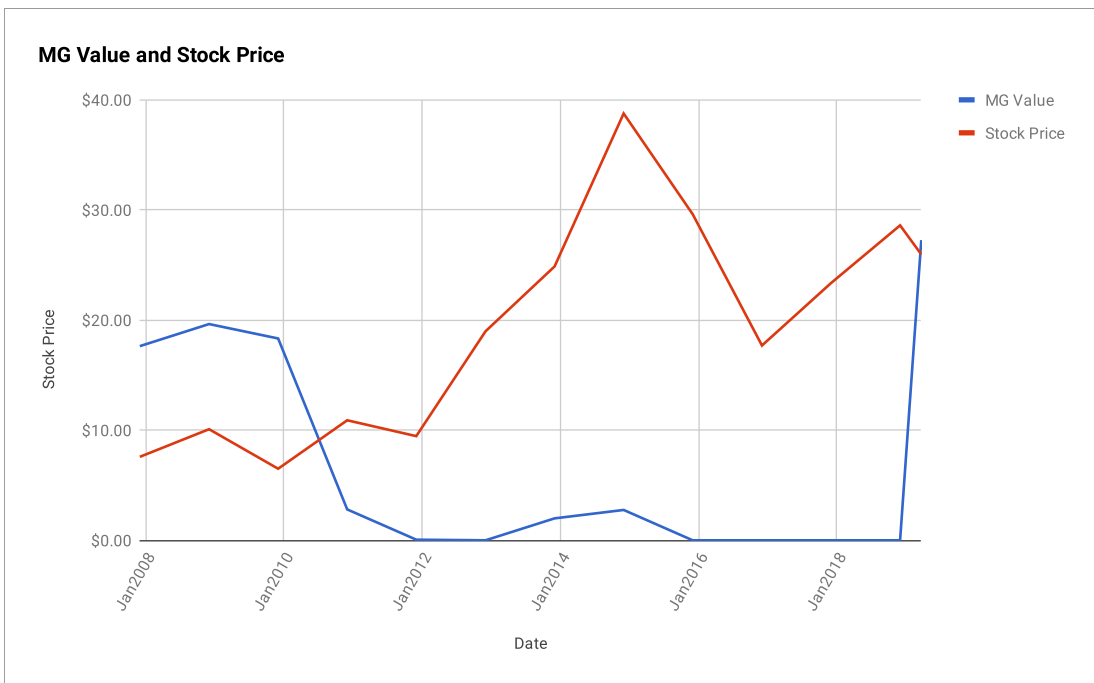
Net Current Asset Value (NCAV)	-\$3.61
Graham Number	\$12.44
PEmg	36.67
Current Ratio	1.90
PB Ratio	5.39
Current Dividend	\$0.25
Dividend Yield	0.96%
Number of Consecutive Years of Dividend Growth	2

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[Morningstar](#)
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$1.42		\$0.71
Dec2018	\$1.24	Dec2018	\$0.27
Dec2017	\$0.22	Dec2017	-\$0.15
Dec2016	-\$0.91	Dec2016	-\$0.22
Dec2015	-\$0.28	Dec2015	\$0.17
Dec2014	\$0.25	Dec2014	\$0.38
Dec2013	\$0.66	Dec2013	\$0.42
Dec2012	\$0.31	Dec2012	\$0.31
Dec2011	\$0.29	Dec2011	\$0.33
Dec2010	\$0.25	Dec2010	\$0.39
Dec2009	\$0.36	Dec2009	\$0.48
Dec2008	\$0.52	Dec2008	\$0.51
Dec2007	\$0.43	Dec2007	\$0.46
Dec2006	\$0.81	Dec2006	\$0.41
Dec2005	\$0.37	Dec2005	\$0.19
Dec2004	\$0.15	Dec2004	\$0.09
Dec2003	\$0.05	Dec2003	\$0.06
Dec2002	\$0.03	Balance Sheet Information	
Dec2001	\$0.13	12/1/2018	
Dec2000	\$0.09	Total Current Assets	\$544,545,000
Dec1999	\$0.02	Total Current Liabilities	\$287,264,000
		Long-Term Debt	\$1,226,104,000
		Total Assets	\$4,198,829,000
		Intangible Assets	\$0
		Total Liabilities	\$2,110,670,000
		Shares Outstanding (Diluted Average)	433,333,000





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

- [Cabot Oil & Gas Corp Valuation – June 2018 \\$COG](#)
- [Cabot Oil & Gas Corp Valuation – March 2017 \\$COG](#)
- [Cabot Oil & Gas Corp Valuation – December 2015 Update \\$COG](#)
- [5 Speculative and Overvalued Companies to Avoid – December 2014](#)
- [32 Companies in the Spotlight This Week – 12/6/14](#)

Other ModernGraham posts about related companies

- [Concho Resources Inc Valuation – March 2019 #CXO](#)
- [Valero Energy Corp Valuation – March 2019 #VLO](#)
- [Occidental Petroleum Corp Valuation – March 2019 #OXY](#)
- [Phillips 66 Valuation – March 2019 #PSX](#)
- [Halliburton Co Valuation – March 2019 #HAL](#)
- [Kinder Morgan Inc Valuation – February 2019 \\$KMI](#)
- [National Oilwell Varco Inc Valuation – February 2019 \\$NOV](#)
- [Diamondback Energy Inc Valuation – February 2019 \\$FANG](#)
- [TechnipFMC PLC Valuation – February 2019 \\$FTI](#)
- [Marathon Petroleum Corp Valuation – February 2019 \\$MPC](#)