

# ModernGraham Valuation

Company Name:

Phillips 66

Company Ticker PSX

Date of Analysis

3/4/2019



## 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	\$44,145,358,886	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.48	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	343.98%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	11.53	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.66	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	1.48	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.60	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$8.39
MG Growth Estimate	3.34%
<b>MG Value</b>	<b>\$127.43</b>
MG Value based on 3% Growth	\$121.72
MG Value based on 0% Growth	\$71.35
Market Implied Growth Rate	1.52%

### MG Opinion

Current Price	\$96.81
% of Intrinsic Value	75.97%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C-</b>

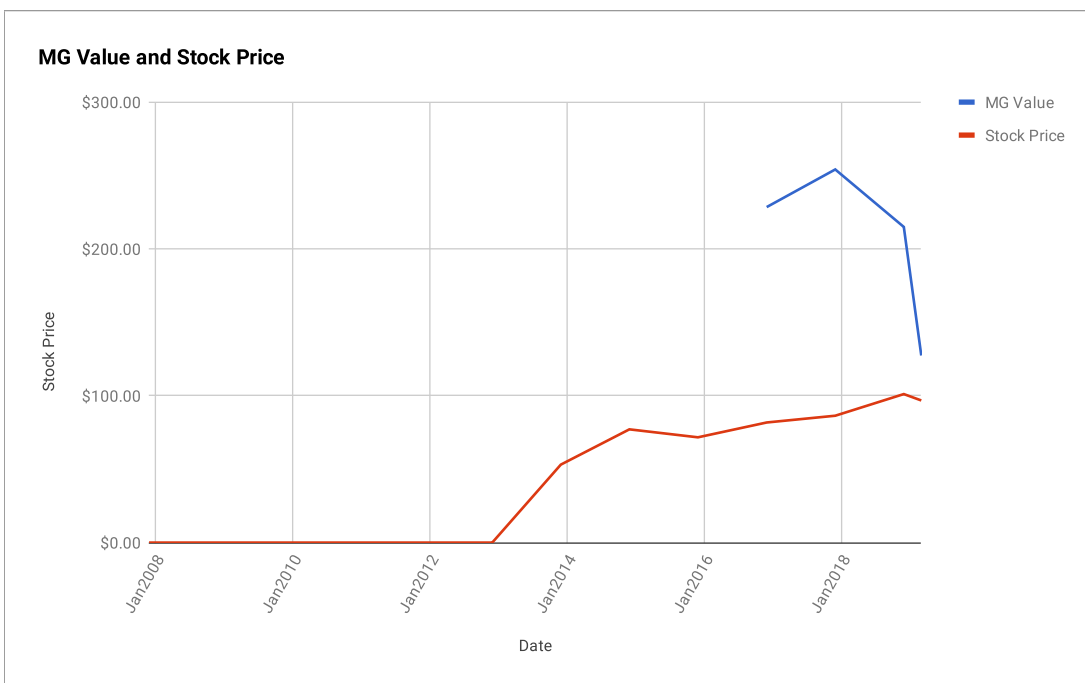
## Stage 3: Information for Further Research

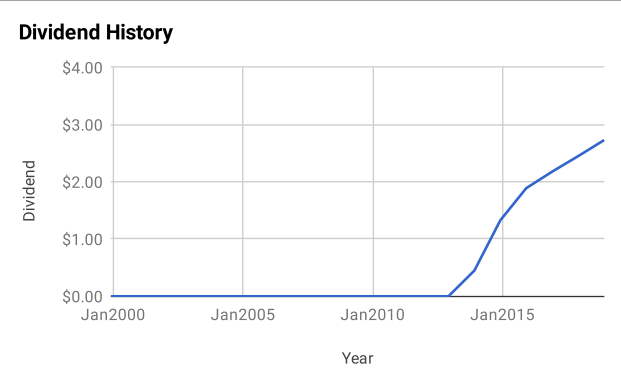
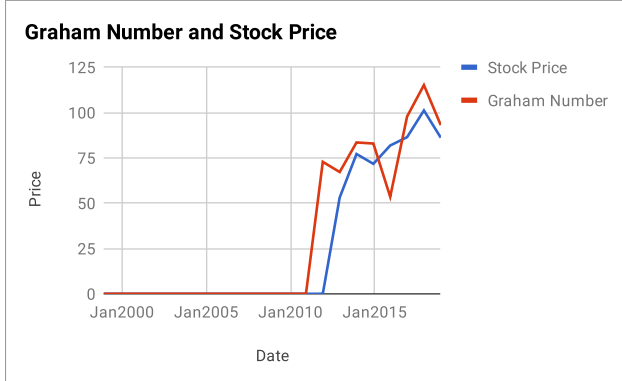
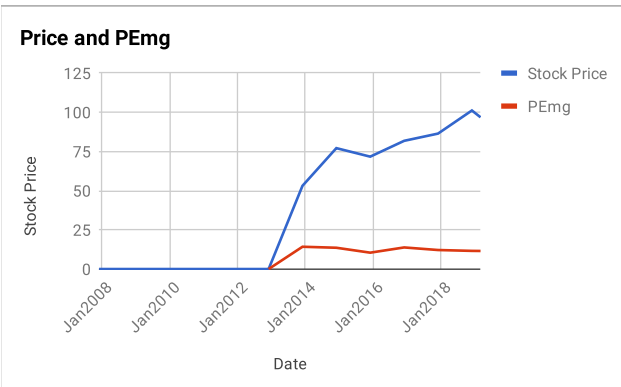
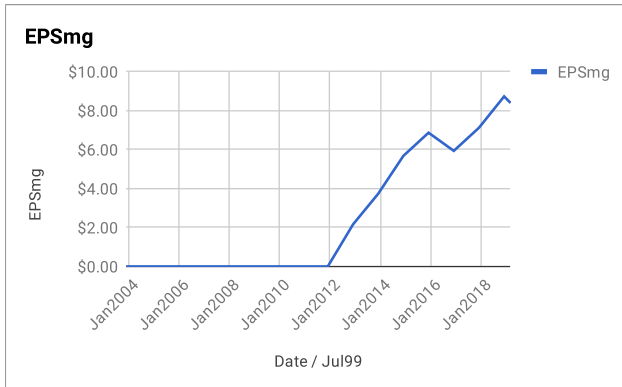
Net Current Asset Value (NCAV)	-\$30.01
Graham Number	\$93.06
PEmg	11.53
Current Ratio	1.48
PB Ratio	1.66
Current Dividend	\$3.10
Dividend Yield	3.20%
Number of Consecutive Years of Dividend Growth	7

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.12	Next Fiscal Year Estimate	\$8.39
Dec2018	\$11.80	Dec2018	\$8.73
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	<b>Balance Sheet Information 12/1/2018</b>	
Dec2001	\$0.00	Total Current Assets	\$13,209,000,000
Dec2000	\$0.00	Total Current Liabilities	\$8,935,000,000
Dec1999	\$0.00	Long-Term Debt	\$11,093,000,000
		Total Assets	\$54,302,000,000
		Intangible Assets	\$4,139,000,000
		Total Liabilities	\$27,149,000,000
		Shares Outstanding (Diluted Average)	464,528,000





**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**
- [Phillips 66 Valuation – April 2018 \\$PSX](#)
  - [Phillips 66 Valuation – August 2016 \\$PSX](#)
  - [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](#)

- Other ModernGraham posts about related companies**
- [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](#)
  - [Baker Hughes, a GE Co Valuation – February 2019 \\$BHGE](#)
  - [EOG Resources Inc Valuation – February 2019 \\$EOG](#)
  - [ConocoPhillips Valuation – February 2019 \\$COP](#)
  - [Devon Energy Corp Valuation – January 2019 \\$DVN](#)
  - [Noble Energy Inc Valuation – January 2019 \\$NBL](#)