

QEP Resources Inc

Ticker: QEP

QEP Resources, Inc. operates as an independent natural gas, oil exploration, and production company. The Company focused in the Rocky Mountain and Midcontinent regions of the United States. QEP also gathers, compresses, treats, and processes natural gas.

1050 17th Street Suite 800 Denver, CO 80265 United States

Charles B Stanley CEO Exchange: New York
Richard J Doleshek CFO Phone: 1-303-672-6900
Web: www.qepres.com

STOCK

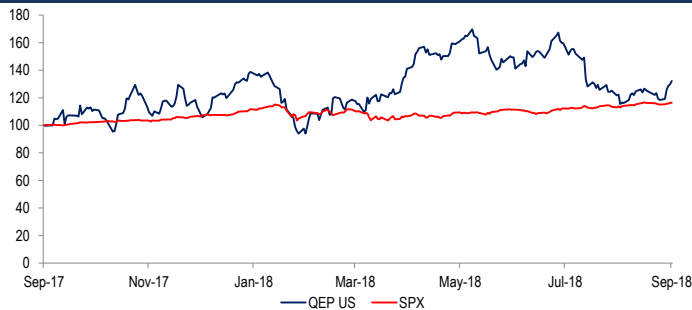
Stock Price (as of: 11/29/2018)

Price	8.50	1 Month Return	0.71%
52 Week High / Low	13.77 / 7.04	6 Month Return	-30.84%
Market Cap	2,012.55	1 Year Return	-8.31%
Enterprise Value	5,131.68	YTD Return	-11.18%

VALUATION METRICS

	2016Y	2017Y	2018YE	2019YE	2020YE
P/E	-	-	-	15.4x	5.9x
EV/EBIT	-	51.9x	-	9.3x	6.1x
EV/EBITDA	-	5.3x	4.4x	3.4x	2.9x
P/S	2.7x	1.4x	1.0x	1.6x	1.5x
P/B	1.3x	0.6x	0.6x	0.5x	0.4x
Div Yield	0.0%	0.0%	0.1%	-	-
EBITDA	-596	841	1,050	862	1,069

52-WEEK STOCK PERFORMANCE

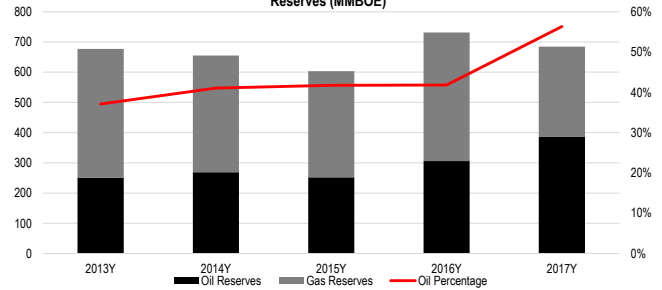


FINANCIAL STATEMENTS

	2013Y	2014Y	2015Y	2016Y	2017Y
Income Statement					
Revenue	2,833	3,282	2,480	1,511	1,607
Operating Profit (Loss)	351	-858	83	-1,467	86
Pretax Income (Loss)	112	-642	-243	-1,953	-43
Income Before XO	52	-410	-149	-1,245	269
Net Income	159	784	-149	-1,245	269
Basic EPS Before Abnormal Items	0.58	1.00	-0.02	-1.05	-0.52
Basic EPS	0.89	4.36	-0.85	-5.62	1.12
Diluted EPS Before Abnormal Item	0.58	1.00	-0.02	-1.06	-0.52
Diluted EPS	0.89	4.36	-0.85	-5.62	1.12
Dividends Per Share	0.08	0.08	0.08	0.00	0.00
EBITDA	1,367	182	964	-596	841
Balance Sheet					
Total Current Assets	551	2,002	932	640	165
Total Long-Term Assets	8,858	7,285	7,466	6,605	7,229
Total Assets	9,409	9,287	8,398	7,245	7,395
Total Current Liabilities	674	1,345	642	515	577
Total Long-Term Liabilities	4,859	3,867	3,809	3,228	3,020
Total Liabilities	5,532	5,212	4,450	3,743	3,597
Total Shareholders' Equity	3,877	4,075	3,948	3,503	3,798
Shares Outstanding	179.30	175.40	176.80	239.60	241.00
Cash Flow					
Net Income	159	784	-149	-1,245	269
Cash From Operating Activities	1,192	1,543	481	664	598
Cash From Investing Activities	-1,442	578	-1,218	-1,179	-1,168
Cash From Financing Activities	280	-991	-48	583	126
Net Changes in Cash	30	1,130	-784	68	-444
Free Cash Flow	-411	-1,184	-758	-544	-1,376
Free Cash Flow Per Basic Share	-2.29	-6.58	-4.29	-2.46	-5.72
Free Cash Flow Per Diluted Share	-2.29	-6.58	-4.29	-2.46	-5.72
Cash Flow Per Share	6.65	8.58	2.73	2.99	2.49

Source: Bloomberg, EnerCom Analytics

Reserves (MMBOE)



PRODUCTION & COSTS

	2013Y	2014Y	2015Y	2016Y	2017Y
Production					
Oil (MMBL/Day)	28.0	47.0	53.7	55.4	53.8
NGL (MMBL/Day)	13.2	18.5	12.9	16.3	14.7
Gas (MMCF/Day)	600.0	491.2	496.2	483.6	462.7
Total (MBOE/Day)	141.2	147.4	149.2	152.4	145.6
Costs (\$/BOE)					
Production (LOE & Prod Tax)	11.19	13.67	12.01	11.15	12.85
G&A	3.11	3.80	3.32	3.52	2.89

RESERVES

	2013Y	2014Y	2015Y	2016Y	2017Y
Reserve Volumes (MMBOE)					
Starting Reserves	655.97	677.02	655.30	603.38	731.43
Changes	21.05	-21.72	-51.92	128.05	-46.80
Ending Reserves	677.02	655.30	603.38	731.43	684.63
Total Reserves					
Oil Reserves	251.20	269.10	251.90	305.80	385.70
Gas Reserves	425.82	386.20	351.48	425.63	298.93
Oil Percentage	37%	41%	42%	42%	56%
Reserves Metrics					
3-Yr F&D per BOE	14.94	24.82	31.64	20.62	14.14
Production Replacement	147%	95%	11%	182%	168%

DRILLING ACTIVITY

	2013Y	2014Y	2015Y	2016Y	2017Y
New Wells					
Exploration	1	1	1	1	1
Developed	205	241	178	96	105
Dry	0	0	0	0	0
Productive Wells					
Oil	494	774	855	1,005	1,176
Gas	2,405	1,900	1,862	1,860	1,137
Acres (Thousands)					
Developed	843	762	719	633	519
Undeveloped	769	618	550	566	475

RATIOS

	2013Y	2014Y	2015Y	2016Y	2017Y
Profitability					
Return on Assets	1.72	8.39	-1.69	-15.92	3.68
Return on Equity	4.80	21.05	-3.72	-33.42	7.38
Return on Capital	3.52	13.58	-0.88	-19.75	6.25
Gross Margin	18.09	19.73	12.83	-5.24	7.89
EBITDA Margin	48.24	5.55	38.89	-39.41	52.29
Operating Margin	12.38	-26.15	3.36	-97.06	5.35
Profit Margin	5.63	23.90	-6.03	-82.39	16.75
Liquidity					
Quick Ratio	0.51	1.19	1.02	1.16	0.25
Current Ratio	0.82	1.49	1.45	1.24	0.29
Cash Ratio	0.02	0.86	0.59	0.86	0.00
Total Debt/Total Capital	43.60	35.24	35.70	36.59	36.26
Cash & Equiv/Current Asset	2.16	57.96	40.36	69.33	0.00
CFO/Total Debt	0.40	0.70	0.22	0.33	0.28
Working Capital	-123	657	290	125	-412
Net Debt/EBITDA	2.15	5.81	1.88	--	2.57

CREDIT

S&P	BB	+	Outlook	--
Moody's	WR		Outlook	--
Fitch	BB	+	Outlook	--

MAJOR SHAREHOLDERS

Holder Name	Portfolio Name	Source	Amt Held	% Out	Latest Chg	File Dt	Inst Type	Country	Metro Area
CREDIT SUISSE GROUP	n/a	ULT-AGG	21,559,737	9.1	(340,470)	6/30/2018	Investment Advisor	Switzerland	Zurich
VANGUARD GROUP	n/a	ULT-AGG	21,165,233	8.93	189,872	6/30/2018	Investment Advisor	United States	Philadelphia
BLACKROCK	n/a	ULT-AGG	20,488,214	8.65	(728,844)	6/30/2018	Investment Advisor	United States	New York City/Southern CT/Northern NJ
DIMENSIONAL FUND ADV	DIMENSIONAL FUND ADV	13F	15,243,981	6.43	1,677,380	6/30/2018	Investment Advisor	United States	Austin
STATE STREET CORP	n/a	ULT-AGG	10,717,971	4.52	(142,000)	6/30/2018	Investment Advisor	United States	Boston
ELLIOTT MANAGEMENT C	ELLIOTT MANAGEMENT C	13F	10,500,000	4.43	-	6/30/2018	Hedge Fund Manager	United States	New York City/Southern CT/Northern NJ
ALLIANCE BERNSTEIN	n/a	ULT-AGG	10,363,371	4.37	(75,768)	6/30/2018	Investment Advisor	United States	New York City/Southern CT/Northern NJ
D E SHAW & COMPANY L	D E SHAW & CO	13F	9,484,692	4	3,165,754	6/30/2018	Hedge Fund Manager	United States	New York City/Southern CT/Northern NJ
INVESCO LTD	n/a	ULT-AGG	9,113,587	3.85	(3,399,967)	6/30/2018	Investment Advisor	United States	Atlanta
AQR CAPITAL MANAGEME	AQR CAPITAL MANAGEME	13F	4,903,943	2.07	1,314,820	6/30/2018	Hedge Fund Manager	United States	New York City/Southern CT/Northern NJ
GOLDMAN SACHS GROUP	n/a	ULT-AGG	4,571,921	1.93	11,268	6/30/2018	Investment Advisor	United States	New York City/Southern CT/Northern NJ
BANK OF NEW YORK MEL	n/a	ULT-AGG	3,862,599	1.63	35,931	6/30/2018	Investment Advisor	United States	New York City/Southern CT/Northern NJ
VAUGHAN NELSON INVES	VAUGHAN NELSON INVES	13F	3,752,290	1.58	(695,025)	6/30/2018	Investment Advisor	United States	Houston
WILKS BROTHERS LLC	WILKS BROTHERS LLC	13F	3,752,192	1.58	3,752,192	6/30/2018	Corporation	United States	Dallas/Ft. Worth
RR PARTNERS LP	RR PARTNERS LP	13F	3,369,340	1.42	3,369,340	6/30/2018	Hedge Fund Manager	United States	New York City/Southern CT/Northern NJ
DEUTSCHE BANK AG	n/a	ULT-AGG	3,245,887	1.37	(97,009)	6/30/2018	Investment Advisor	Germany	Frankfurt
OSLO ASSET MANAGEMEN	OSLO ASSET MANAGEMEN	13F	3,217,538	1.36	(365,162)	6/30/2018	Investment Advisor	Norway	Oslo
POWER CORP OF CANADA	n/a	ULT-AGG	2,996,716	1.26	(14,006)	6/30/2018	Holding Company	Canada	Montreal
FRONTIER CAPITAL MAN	FRONTIER CAPITAL MAN	13F	2,912,657	1.23	(102,896)	6/30/2018	Hedge Fund Manager	United States	Boston
FMR LLC	n/a	ULT-AGG	2,795,121	1.18	1,622,109	6/30/2018	Investment Advisor	United States	Boston

ANALYST COVERAGE & RECCOMENDATIONS

Firm Name	Analyst	Recommendation	Weighting	Δ	Target Price	Date	Date	BARR	1 Yr Rtn
Capital One Securities, Inc.	BRIAN T VELIE	overweight	5 M		16	Not Provided	9/12/2018	3	29.95
Evercore ISI	STEPHEN RICHARDSON	in-line	3 M		12	Not Provided	9/9/2018	5	0
Williams Capital	GABRIELE SORBARA	buy	5 M		15	Not Provided	9/7/2018	4	11.51
SunTrust Robinson Humphrey	NEAL DINGMANN	hold	3 M		11	12 month	9/6/2018	5	0
Wolfe Research	JOSH IAN SILVERSTEIN	peerperform	3 M		13	Not Provided	9/2/2018	5	0
Stifel	DERRICK WHITFIELD	buy	5 M		17	Not Provided	8/29/2018	3	29.95
Raymond James	JOHN FREEMAN	strong buy	5 M		17	Not Provided	8/27/2018	3	29.95
Piper Jaffray	KASHY HARRISON	neutral	3 M		14	Not Provided	8/27/2018	1	52.63
Scotia Howard Weil Inc	PARK CARRERE	focus list	5 M		18	Not Provided	8/24/2018		
J.P. Morgan	MICHAEL GLICK	neutral	3 M		12	6 month	8/24/2018		
Tudor Pickering & Co	JEFFREY LAMBUJON	hold	3 M		21	Not Provided	8/24/2018	2	33.33
B Riley FBR, Inc.	REHAN RASHID	neutral	3 M		12.25	12 month	8/24/2018		
Johnson Rice & Co	BRIAN CORALES	accumulate	4 M		19	Not Provided	8/14/2018		
Goldman Sachs	JOHN C NELSON	neutral/attractive	3 M		12	12 month	8/6/2018	5	0
Wells Fargo Securities	GORDON DOUTHAT	outperform	5 M		19	Not Provided	8/5/2018	3	29.95
Credit Suisse	BETTY JIANG	underperform	1 M		11	Not Provided	7/30/2018	6	-9.62
BMO Capital Markets	DAN MCSPIRIT	restricted	M			Not Provided	5/17/2018		
EVA Dimensions	ANTHONY CAMPAGNA	underweight	1 D			Not Provided	5/15/2018		

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