



EOG Resources (EOG)

Updated February 26th, 2026, by Derek English

Key Metrics

Current Price:	\$122	5 Year Annual Expected Total Return:	13.5%	Market Cap:	\$65.7 B
Fair Value Price:	\$176	5 Year Growth Estimate:	3.0%	Ex-Dividend Date:	04/16/26
% Fair Value:	70%	5 Year Valuation Multiple Estimate:	7.5%	Dividend Payment Date:	04/30/26
Dividend Yield:	3.3%	5 Year Price Target	\$203	Years Of Dividend Growth:	9
Dividend Risk Score:	D	Sector:	Energy	Rating:	Hold

Overview & Current Events

EOG Resources (NYSE: EOG) is a crude oil and natural gas company headquartered in Houston, Texas. Founded in 1999, EOG was incorporated as a Delaware corporation after it separated from Enron. EOG Resources is principally engaged in the exploration, development, and production of crude oil and natural gas with reserves in the United States, Canada, Trinidad, and China. EOG has three operating segments split by geographical areas: Crude oil, Natural Gas, and Natural Gas Liquids (NGL). The Crude Oil segment is the largest, accounting for 79% of revenue.

On February 25th, 2026, EOG reported fourth quarter and full year 2025 results, delivering another strong year. For the fourth quarter, revenue came in at \$6.2 billion, while net income totaled \$1.6 billion, or \$2.95 per share. Adjusted net income was \$1.7 billion, or \$3.05 per share. For the full year, EOG generated revenue of \$24.1 billion and net income of \$6.8 billion, or \$11.70 per share. Adjusted operating cash flow for the year totaled \$12.4 billion, while capital expenditures were \$6.8 billion, resulting in free cash flow of approximately \$5.6 billion.

Production for the year averaged 1,315 MBOE/D, exceeding the midpoint of guidance, driven by strong well productivity in the Delaware Basin, Eagle Ford, and Utica following the Encino acquisition. During 2025, the company returned \$3.9 billion to shareholders through regular dividends and share repurchases. The balance sheet remains strong, with long-term debt of approximately \$4.6 billion and a net debt-to-capitalization ratio near 12%.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	(\$1.98)	\$4.46	\$5.89	\$4.71	\$1.46	\$8.61	\$13.76	\$11.69	\$11.62	\$10.16	\$11.70	\$13.56
DPS	\$0.67	\$0.67	\$0.81	\$1.08	\$1.50	\$1.99	\$3.00	\$3.30	\$3.64	\$3.75	\$4.08	\$5.99
Shares¹	553	578	580	580	578	581	583	584	584	584	580	580

The earnings-per-share numbers in the above table show the cyclical nature of EOG Resources' industry. Over the last decade, earnings-per-share have ranged from a low of -\$1.98 (2016) to a high of \$13.76 (2022). Net income is heavily dependent on oil prices, which has been fluctuating since the beginning of the pandemic. Strong free cash flow growth has helped the company strengthen its balance sheet by reducing its debt and rewarding its shareholders with special dividends. Our 2026 EPS forecast is \$11.70, and we project 3% annual EPS growth over the next five years.

The company has a solid dividend history with a ~21% CAGR since 2016. Due to the impressive free cash flow, EOG has rewarded shareholders with special dividends over the past couple of years including a \$5.80 special dividend announced in 2022. The company also repurchased \$2.5 billion of shares and paid \$2.2 billion in regular dividends during 2025. Management reaffirmed that the regular dividend remains its top cash return priority, and the FY payout was 5% higher year-over-year following an increase announced alongside the Encino deal. The current dividend is covered at a \$32 WTI oil price, and we have estimated an 8% dividend growth rate over the next five years, which is on the lower end of management's expectations.

¹ Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	-42.3	21.5	19.2	18.2	34.5	10.3	9.4	10.3	10.5	11.5	10.4	15.0
Avg. Yld.	0.8%	0.7%	0.7%	1.3%	3.0%	2.2%	2.3%	2.7%	3.0%	3.5%	3.3%	2.9%

Excluding the years that EOG reported negative EPS, the company has traded with an average price-to-earnings of around 18. Given the nature of this business, it is customary to see a considerable fluctuation in earnings, making it difficult to predict a steady growth rate over the next five years. Therefore, for our fair value calculation, we use 15 times earnings under "normalized" circumstances, assuming the WTI oil price remains above \$50. As a result, the company trades at 70% of our fair value estimate of \$176. Typically, EOG offered a low starting yield, but it has become more attractive lately, yielding 3.3% excluding the special dividends.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	-34%	15%	14%	23%	103%	23%	22%	28%	31%	37%	35%	44%

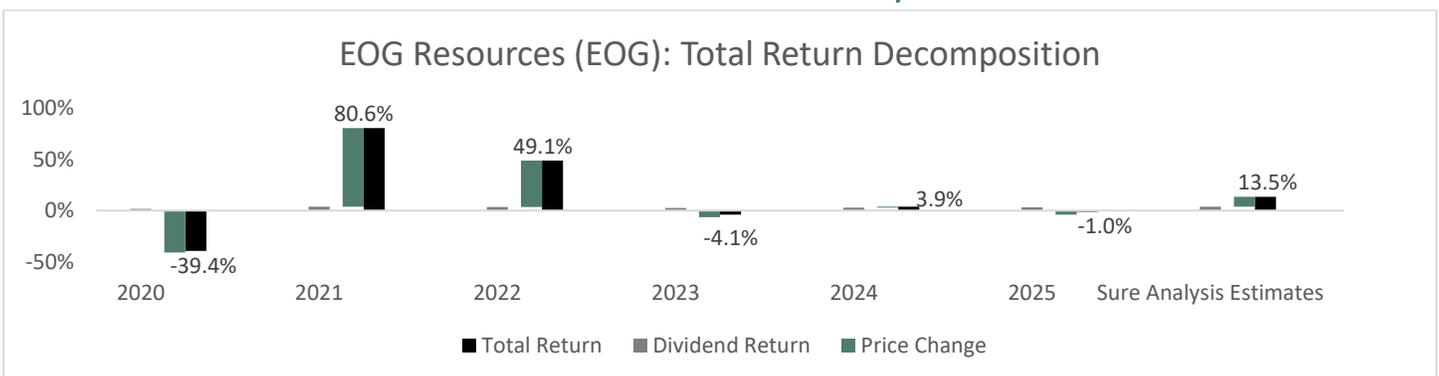
One of EOG Resources' main competitive advantages is its high-quality management team. After a downturn in 2016, the company swiftly focused on cutting costs and drilling for only premium wells, which allowed the company to have returns of over 30% even when the price of oil was \$40. After 2020 they have shifted their focus to a double premium strategy to develop wells that earn a 60% return at \$40 WTI and \$2.50/Mcf natural gas. EOG's management is focused on increasing returns and generating free cash flow and has stated that they will not be growing production in an oversupplied market. The company has a long-term debt of \$7.9 billion.

While the industry has had some challenging times, particularly over the last 12 years, the company has never cut or suspended its dividend, which further cements the directors' commitment to shareholders. In addition, the payout ratio has historically been below 40%. Combined with strong FCF growth, the dividend appears well covered.

Final Thoughts & Recommendation

There is no doubt about the cyclical nature of EOG Resources, which makes it more important for investors to focus on value and total returns. Accordingly, EOG's management focuses on returning value to its shareholders and aims to grow FCF by at least 8% yearly. Excluding the special dividend, we have estimated a total return of 13.5%. The company is committed to returning as much value to shareholders as possible and recently increased the dividend by 5% to go along with distributing special dividends. We currently rate EOG as a hold due to its short dividend history.

Total Return Breakdown by Year





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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	8,656	7,463	11,206	17,177	16,942	9,873	19,670	29,490	23,180	23,380
Gross Profit	4,014	2,859	6,603	12,022	11,346	4,950	14,320	24,000	17,570	17,700
Gross Margin	46.4%	38.3%	58.9%	70.0%	67.0%	50.1%	72.8%	81.4%	75.8%	75.7%
SG&A Exp.	2,753	2,402	3,765	5,630	5,841	3,182	4,684	7,105	6,349	6,386
D&A Exp.	---	---	---	---	---	---	---	---	---	---
Operating Profit	-126	-711	1,485	4,807	3,913	458	7,613	14,260	8,892	8,253
Operating Margin	-1.5%	-9.5%	13.3%	28.0%	23.1%	4.6%	38.7%	48.4%	38.4%	35.3%
Net Profit	-4,525	-1,097	2,583	3,419	2,735	-605	4,664	7,759	7,594	6,403
Net Margin	-52.3%	-14.7%	23.0%	19.9%	16.1%	-6.1%	23.7%	26.3%	32.8%	27.4%
Free Cash Flow	-1,418	-224	141	1,692	1,741	1,543	4,941	6,093	5,155	5,771
Income Tax	-2,397	-461	-1,921	822	810	-134	1,269	2,142	2,095	1,815

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	26,970	29,299	29,833	33,934	37,125	35,805	38,240	41,370	43,860	47,190
Cash & Equivalents	719	1,600	834	1,556	2,028	3,329	5,209	5,972	5,278	7,092
Accounts Receivable	931	1,216	1,597	1,915	2,002	1,522	2,335	2,774	2,716	2,650
Inventories	599	350	484	859	767	629	584	1,058	1,275	985
Goodwill & Int. Ass.	14,027	15,318	13,550	14,570	15,484	15,503	16,060	16,590	15,770	
Total Liabilities	1,472	1,512	1,847	2,240	2,429	1,681	2,242	2,532	2,437	17,840
Accounts Payable	6,655	6,986	6,387	6,083	5,175	5,816	4,859	4,863	3,616	2,464
Long-Term Debt	12,943	13,982	16,283	19,364	21,641	20,302	22,180	24,780	28,090	4,602
Shareholder's Equity	0.51	0.50	0.39	0.31	0.24	0.29	0.22	0.20	0.13	29,350
D/E Ratio	26,970	29,299	29,833	33,934	37,125	35,805	38,240	41,370	43,860	0.16

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	-14.7%	-3.9%	8.7%	10.7%	7.7%	-1.7%	12.6%	19.5%	17.8%	14.1%
Return on Equity	-29.5%	-8.1%	17.1%	19.2%	13.3%	-2.9%	22.0%	33.1%	28.7%	22.3%
ROIC	-20.9%	-5.4%	11.8%	14.2%	10.5%	-2.3%	17.6%	27.4%	24.8%	19.5%
Shares Out.	545.0	553.0	578.0	580.0	580.0	578.0	584	587	584	569
Revenue/Share	15.86	13.49	19.36	29.59	29.17	17.05	33.68	50.24	39.70	41.09
FCF/Share	-2.60	-0.40	0.24	2.92	3.00	2.67	8.46	10.38	8.83	10.14

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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