

## TheStreet Quant Ratings

## CONTINENTAL RESOURCES INC

BUY					HOLD			SELL							BUY		RATING SINCE	09/30/2021
A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E+	E	E-	F	TARGET PRICE		\$97.35
Annual Dividend Rate <b>\$1.12</b>					Annual Dividend Yield <b>1.51%</b>			Beta <b>2.33</b>			Market Capitalization <b>\$26.9 Billion</b>			52-Week Range <b>\$40.75-\$75.49</b>			Price as of 11/17/2022 <b>\$74.17</b>	

Sector: **Mining, Quarrying, Oil, Gas** | Industry Group: **Oil and Gas Extraction****CLR BUSINESS DESCRIPTION**

Continental Resources, Inc. explores for, develops, produces, and manages crude oil, natural gas, and related products primarily in the north, south, and east regions of the United States.

**STOCK PERFORMANCE (%)**

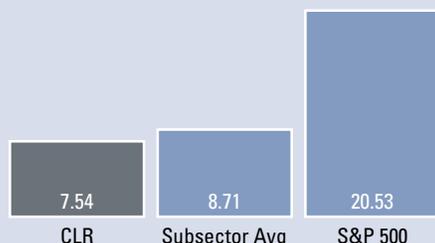
	3 Mo.	1 Yr.	3 Yr (Ann)
Price Change	8.66	59.54	33.11

**GROWTH (%)**

	Last Qtr	12 Mo.	3 Yr CAGR
Revenues	82.43	90.94	24.46
Net Income	174.31	331.37	65.95
EPS	177.22	335.39	67.60

**RETURN ON EQUITY (%)**

	CLR	Subsector Avg	S&P 500
Q3 2022	35.86	35.47	19.47
Q3 2021	12.06	7.52	16.80
Q3 2020	-5.06	-10.02	11.22

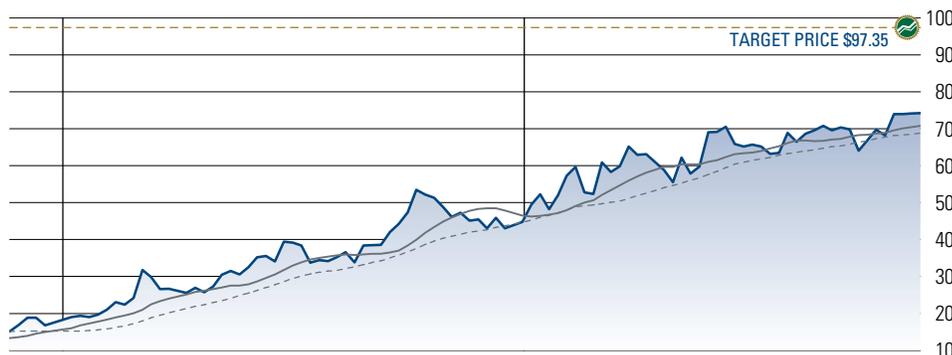
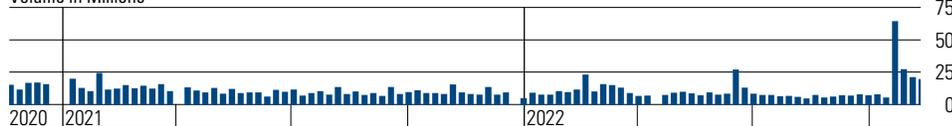
**P/E COMPARISON****EPS ANALYSIS' (\$)**

NA = not available NM = not meaningful

1 Compustat fiscal year convention is used for all fundamental data items.

Weekly Price: (US\$) | SMA (50) — SMA (100) ---

1 Year | 2 Years

**Rating History****Volume in Millions**

COMPUSTAT for Price and Volume, TheStreet Ratings, Inc. for Rating History

**RECOMMENDATION**

We rate CONTINENTAL RESOURCES INC (CLR) a BUY. This is driven by several positive factors, which we believe should have a greater impact than any weaknesses, and should give investors a better performance opportunity than most stocks we cover. The company's strengths can be seen in multiple areas, such as its robust revenue growth, solid stock price performance, impressive record of earnings per share growth, compelling growth in net income and notable return on equity. Although no company is perfect, currently we do not see any significant weaknesses which are likely to detract from the generally positive outlook.

**HIGHLIGHTS**

CLR's very impressive revenue growth is slightly higher than the subsector average of 74.3%. Since the same quarter one year prior, revenues leaped by 82.4%. Growth in the company's revenue appears to have helped boost the earnings per share.

Powered by its strong earnings growth of 177.22% and other important driving factors, this stock has surged by 59.53% over the past year, outperforming the rise in the S&P 500 Index during the same period. Regarding the stock's future course, although almost any stock can fall in a broad market decline, CLR should continue to move higher despite the fact that it has already enjoyed a very nice gain in the past year.

CONTINENTAL RESOURCES INC reported significant earnings per share improvement in the most recent quarter compared to the same quarter a year ago. The company has demonstrated a pattern of positive earnings per share growth over the past two years. We feel that this trend should continue. During the past fiscal year, CONTINENTAL RESOURCES INC turned its bottom line around by earning \$4.56 versus -\$1.65 in the prior year. This year, the market expects an improvement in earnings (\$11.71 versus \$4.56).

The net income growth from the same quarter one year ago has significantly exceeded that of the S&P 500 and the Oil and Gas Extraction subsector. The net income increased by 174.3% when compared to the same quarter one year prior, rising from \$369.33 million to \$1,013.11 million.

The company's current return on equity greatly increased when compared to its ROE from the same quarter one year prior. This is a signal of significant strength within the corporation. When compared to other companies in the Oil and Gas Extraction subsector and the overall market, CONTINENTAL RESOURCES INC's return on equity exceeds that of the subsector average and significantly exceeds that of the S&P 500.

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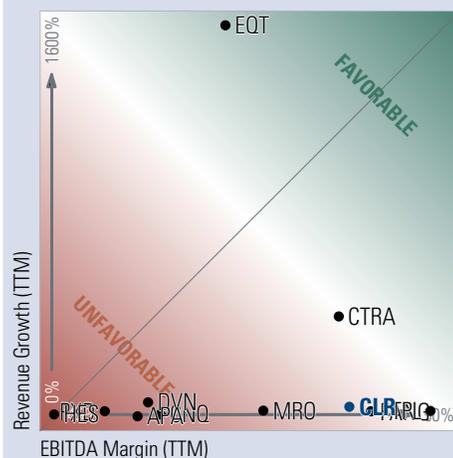
# CONTINENTAL RESOURCES INC

Sector: Mining, Quarrying, Oil, Gas | Oil and Gas Extraction

Annual Dividend Rate <b>\$1.12</b>	Annual Dividend Yield <b>1.51%</b>	Beta <b>2.33</b>	Market Capitalization <b>\$26.9 Billion</b>	52-Week Range <b>\$40.75-\$75.49</b>	Price as of 11/17/2022 <b>\$74.17</b>
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## PEER GROUP ANALYSIS

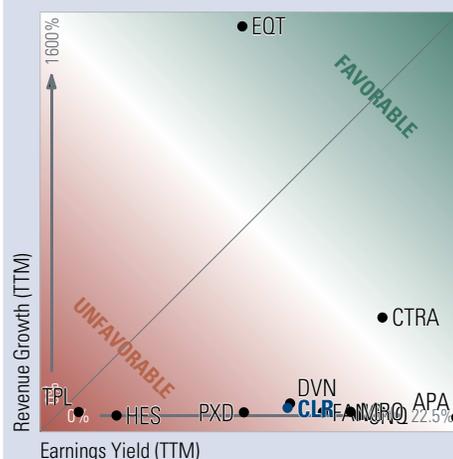
### REVENUE GROWTH AND EBITDA MARGIN\*



Companies with higher EBITDA margins and revenue growth rates are outperforming companies with lower EBITDA margins and revenue growth rates. Companies for this scatter plot have a market capitalization between \$15.1 Billion and \$69.4 Billion. Companies with NA or NM values do not appear.

\*EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

### REVENUE GROWTH AND EARNINGS YIELD



Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between 54.7% and 1545.4%. Companies with NA or NM values do not appear.

## SUBSECTOR ANALYSIS

CONTINENTAL RESOURCES INC falls within the Mining, Quarrying, Oil, Gas sector and the Oil and Gas Extraction industry group of the North American Industry Classification System or NAICS. More precisely, a significant portion of company activities involve Crude Petroleum Extraction.

TheStreet Quant Ratings is currently tracking 246 companies in the Mining, Quarrying, Oil, Gas sector that total around \$1,975 billion in market capitalization as well as \$919 billion in annual sales.

The Oil and Gas Extraction subsector accounts for 50.3% of those revenues.

Industries in the Oil and Gas Extraction subsector operate and/or develop oil and gas field properties. Operation and development activities include exploration for crude petroleum and natural gas; drilling, completing, and equipping wells; operating separators, emulsion breakers, desilting equipment, and field gathering lines for crude petroleum and natural gas; and all other activities in the preparation of oil and gas up to the point of shipment from the producing property. This subsector includes the production of crude petroleum, the mining and extraction of oil from oil shale and oil sands, the production of natural gas, sulfur recovery from natural gas, and recovery of hydrocarbon liquids. Establishments in this subsector include those that operate oil and gas wells on their own account or for others on a contract or fee basis.

## PEER GROUP: Oil and Gas Extraction

Ticker	Company Name	Recent Price (\$)	Market Cap (\$M)	Price/Earnings	Net Sales TTM (\$M)	Net Income TTM (\$M)
<b>CLR</b>	<b>CONTINENTAL RESOURCES IN</b>	<b>74.17</b>	<b>26,925</b>	<b>7.54</b>	<b>8,840.91</b>	<b>3,562.28</b>
CNO	CANADIAN NATURAL RESOURCES	60.10	69,376	5.86	41,822.00	11,951.00
PXD	PIONEER NATURAL RESOURCES	256.56	60,958	9.15	24,786.00	7,127.00
DVN	DEVON ENERGY CORP	70.99	46,406	7.46	19,143.00	6,320.00
HES	HESS CORP	146.67	45,220	24.40	10,627.00	1,864.00
FANG	DIAMONDBACK ENERGY INC	161.78	28,473	6.59	9,635.00	4,381.00
CTRA	COTERRA ENERGY INC	26.80	21,131	5.45	8,995.26	3,971.47
TPL	TEXAS PACIFIC LAND CORP	2,646.58	20,389	48.08	661.89	425.68
MRO	MARATHON OIL CORP	31.30	19,878	6.01	7,555.00	3,736.00
EQT	EQT CORP	41.69	15,302	9.22	7,857.56	1,860.32
APA	APA CORP	46.94	15,092	4.48	10,813.00	3,613.00

The peer group comparison is based on Major Oil and Gas Extraction companies of comparable size.

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### COMPANY DESCRIPTION

Continental Resources, Inc. explores for, develops, produces, and manages crude oil, natural gas, and related products primarily in the north, south, and east regions of the United States. The company sells its crude oil and natural gas production to energy marketing companies, crude oil refining companies, and natural gas gathering and processing companies. As of December 31, 2021, its proved reserves were 1,645 million barrels of crude oil equivalent (MMBoe) with proved developed reserves of 908 MMBoe. The company was founded in 1967 and is headquartered in Oklahoma City, Oklahoma.

### CONTINENTAL RESOURCES INC

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Oklahoma City, OK 73102  
USA  
Phone: 405 234 9000  
<http://www.clr.com>

### STOCK-AT-A-GLANCE

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of CLR shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

FACTOR	SCORE					
<b>Growth</b>	<b>3.0 out of 5 stars</b>	★	★	★	☆	☆
Measures the growth of both the company's income statement and cash flow. On this factor, CLR has a growth score better than 50% of the stocks we rate.		weak				strong
<b>Total Return</b>	<b>5.0 out of 5 stars</b>	★	★	★	★	★
Measures the historical price movement of the stock. The stock performance of this company has beaten 90% of the companies we cover.		weak				strong
<b>Efficiency</b>	<b>3.5 out of 5 stars</b>	★	★	★	☆	☆
Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 60% of the companies we review.		weak				strong
<b>Price volatility</b>	<b>4.5 out of 5 stars</b>	★	★	★	★	☆
Measures the volatility of the company's stock price historically. The stock is less volatile than 80% of the stocks we monitor.		weak				strong
<b>Solvency</b>	<b>3.0 out of 5 stars</b>	★	★	★	☆	☆
Measures the solvency of the company based on several ratios. The company is more solvent than 50% of the companies we analyze.		weak				strong
<b>Income</b>	<b>3.5 out of 5 stars</b>	★	★	★	☆	☆
Measures dividend yield and payouts to shareholders. The company's dividend is higher than 60% of the companies we track.		weak				strong

### THESTREET QUANT RATINGS RESEARCH METHODOLOGY

TheStreet Quant Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighted, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

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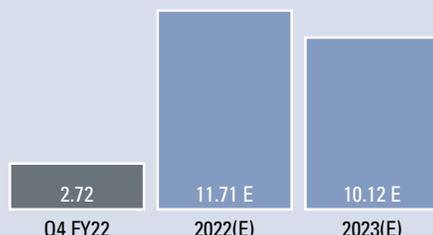
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## Consensus EPS Estimates<sup>2</sup> (\$)

IBES consensus estimates are provided by Thomson Financial



## FINANCIAL ANALYSIS

CONTINENTAL RESOURCES INC's gross profit margin for the third quarter of its fiscal year 2022 is essentially unchanged when compared to the same period a year ago. The company has grown sales and net income significantly, outpacing the average growth rates of competitors within its subsector. CONTINENTAL RESOURCES INC has average liquidity. Currently, the Quick Ratio is 1.13 which shows that technically this company has the ability to cover short-term cash needs. The company's liquidity has decreased from the same period last year.

At the same time, stockholders' equity ("net worth") has greatly increased by 45.06% from the same quarter last year. Together, the key liquidity measurements indicate that it is relatively unlikely that the company will face financial difficulties in the near future.

**STOCKS TO BUY:** TheStreet Quant Ratings has identified a handful of stocks that can potentially TRIPLE in the next 12-months. To learn more visit [www.TheStreetRatings.com](http://www.TheStreetRatings.com).

## INCOME STATEMENT

	Q3 FY22	Q3 FY21
Net Sales (\$mil)	2,447.23	1,341.41
EBITDA (\$mil)	1,912.81	1,015.98
EBIT (\$mil)	1,409.50	542.68
Net Income (\$mil)	1,013.11	369.33

## BALANCE SHEET

	Q3 FY22	Q3 FY21
Cash & Equiv. (\$mil)	1,813.18	693.65
Total Assets (\$mil)	22,411.78	15,506.16
Total Debt (\$mil)	6,325.78	4,763.26
Equity (\$mil)	9,935.19	6,848.89

## PROFITABILITY

	Q3 FY22	Q3 FY21
Gross Profit Margin	81.08%	80.28%
EBITDA Margin	78.16%	75.73%
Operating Margin	57.60%	40.46%
Sales Turnover	0.39	0.30
Return on Assets	15.89%	5.32%
Return on Equity	35.86%	12.06%

## DEBT

	Q3 FY22	Q3 FY21
Current Ratio	1.20	1.41
Debt/Capital	0.39	0.41
Interest Expense	70.72	59.89
Interest Coverage	19.93	9.06

## SHARE DATA

	Q3 FY22	Q3 FY21
Shares outstanding (mil)	363	366
Div / share	0.28	0.15
EPS	2.80	1.01
Book value / share	27.37	18.73
Institutional Own %	NA	NA
Avg Daily Volume	2,936,094	1,722,676

<sup>2</sup> Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

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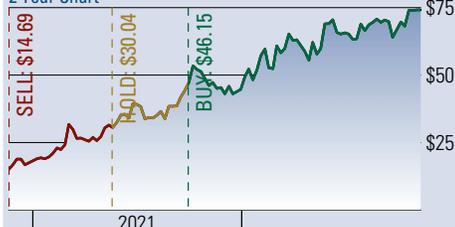
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## RATINGS HISTORY

Our rating for CONTINENTAL RESOURCES INC has not changed since 9/30/2021. As of 11/17/2022, the stock was trading at a price of \$74.17 which is 1.8% below its 52-week high of \$75.49 and 82.0% above its 52-week low of \$40.75.

### 2 Year Chart



## MOST RECENT RATINGS CHANGES

Date	Price	Action	From	To
9/30/21	\$46.15	Upgrade	Hold	Buy
5/20/21	\$30.04	Upgrade	Sell	Hold
11/17/20	\$14.69	No Change	Sell	Sell

Price reflects the closing price as of the date listed, if available

## RATINGS DEFINITIONS & DISTRIBUTION OF THESTREET RATINGS

(as of 11/17/2022)

**31.50% Buy** - We believe that this stock has the opportunity to appreciate and produce a total return of more than 10% over the next 12 months.

**31.15% Hold** - We do not believe this stock offers conclusive evidence to warrant the purchase or sale of shares at this time and that its likelihood of positive total return is roughly in balance with the risk of loss.

**37.35% Sell** - We believe that this stock is likely to decline by more than 10% over the next 12 months, with the risk involved too great to compensate for any possible returns.

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## VALUATION

BUY. This stock's P/E ratio indicates a discount compared to an average of 8.71 for the Oil and Gas Extraction subsector and a significant discount compared to the S&P 500 average of 20.53. For additional comparison, its price-to-book ratio of 2.71 indicates a discount versus the S&P 500 average of 3.85 and a discount versus the subsector average of 3.31. The price-to-sales ratio is well above both the S&P 500 average and the subsector average, indicating a premium. Upon assessment of these and other key valuation criteria, CONTINENTAL RESOURCES INC proves to trade at a discount to investment alternatives.

Price/Earnings	1	2	3	4	5
				premium	discount

**CLR 7.54** Peers 8.71

- Discount. A lower P/E ratio than its peers can signify a less expensive stock or lower growth expectations.
- CLR is trading at a discount to its peers.

Price/Projected Earnings	1	2	3	4	5
				premium	discount

**CLR 7.33** Peers 8.72

- Discount. A lower price-to-projected earnings ratio than its peers can signify a less expensive stock or lower future growth expectations.
- CLR is trading at a significant discount to its peers.

Price/Book	1	2	3	4	5
				premium	discount

**CLR 2.71** Peers 3.31

- Discount. A lower price-to-book ratio makes a stock more attractive to investors seeking stocks with lower market values per dollar of equity on the balance sheet.
- CLR is trading at a discount to its peers.

Price/Sales	1	2	3	4	5
				premium	discount

**CLR 3.05** Peers 2.39

- Premium. In the absence of P/E and P/B multiples, the price-to-sales ratio can display the value investors are placing on each dollar of sales.
- CLR is trading at a significant premium to its subsector.

Price/CashFlow	1	2	3	4	5
				premium	discount

**CLR 4.01** Peers 5.46

- Discount. The P/CF ratio, a stock's price divided by the company's cash flow from operations, is useful for comparing companies with different capital requirements or financing structures.
- CLR is trading at a significant discount to its peers.

Price to Earnings/Growth	1	2	3	4	5
				premium	discount

**CLR 0.05** Peers 0.06

- Discount. The PEG ratio is the stock's P/E divided by the consensus estimate of long-term earnings growth. Faster growth can justify higher price multiples.
- CLR trades at a discount to its peers.

Earnings Growth	1	2	3	4	5
	lower				higher

**CLR 335.39** Peers 698.26

- Lower. Elevated earnings growth rates can lead to capital appreciation and justify higher price-to-earnings ratios.
- However, CLR is expected to significantly trail its peers on the basis of its earnings growth rate.

Sales Growth	1	2	3	4	5
	lower				higher

**CLR 90.94** Peers 135.38

- Lower. A sales growth rate that trails the subsector implies that a company is losing market share.
- CLR significantly trails its peers on the basis of sales growth.

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