ModernGraham Valuation

Company Name: Cameron International Corporation

Company Ticker CAM

Date of Analysis 9/25/2015

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	$12,228,186,294	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.19	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	52.29%	Pass
6. Moderate PEmg Ratio	PEmg < 20	21.27	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.78	Fail

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	2.19	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.72	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	**No**
Enterprising	**Yes**

Stage 2: Determination of Intrinsic Value

EPSmg	$3.00
MG Growth Estimate	5.33%
MG Value	**$57.53**
MG Value based on 3% Growth	$43.53
MG Value based on 0% Growth	$25.52
Market Implied Growth Rate	6.38%

MG Opinion

Current Price	$63.85
% of Intrinsic Value	110.98%
Opinion	**Overvalued**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$0.83
Graham Number	$35.95
PEmg	21.27
Current Ratio	2.19
PB Ratio	2.78
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

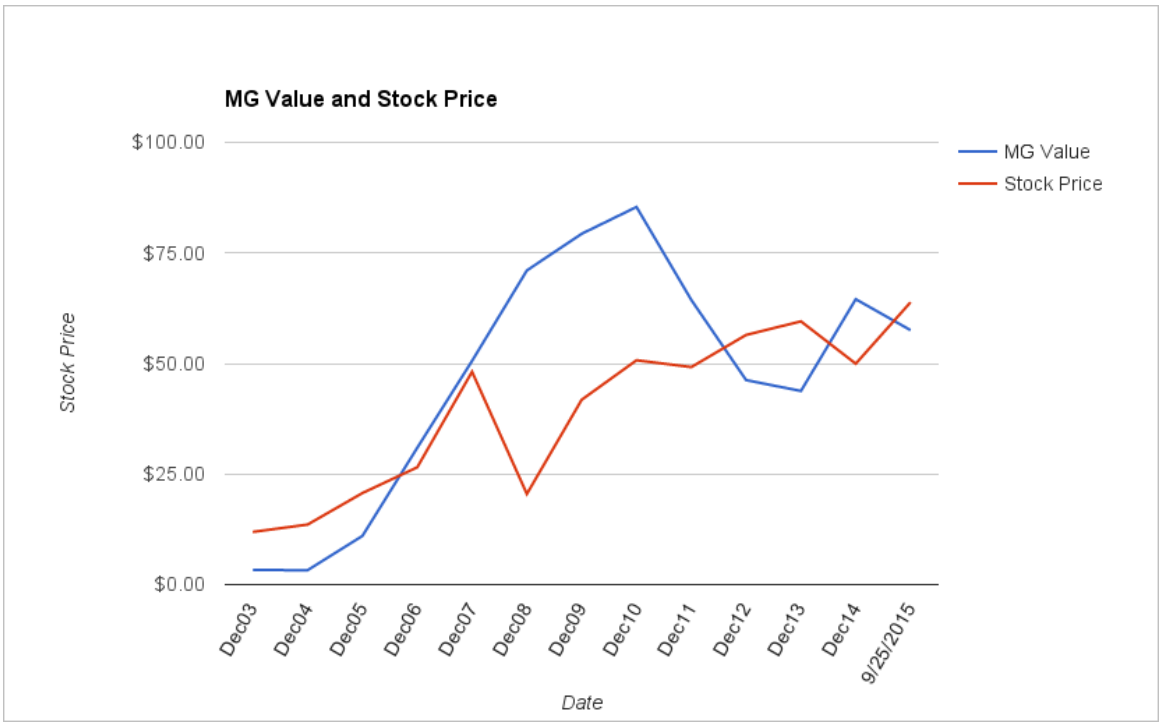
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

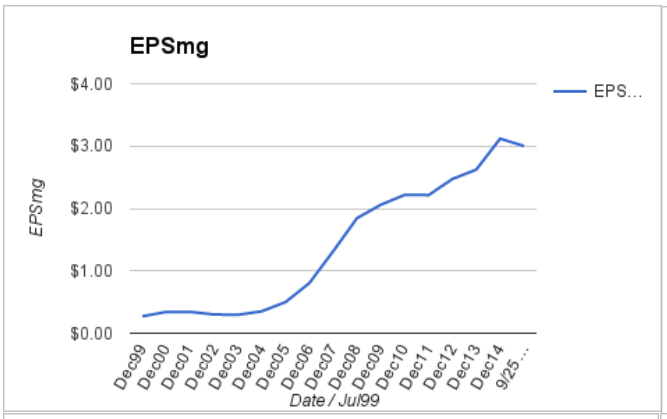
GuruFocus SEC Filings

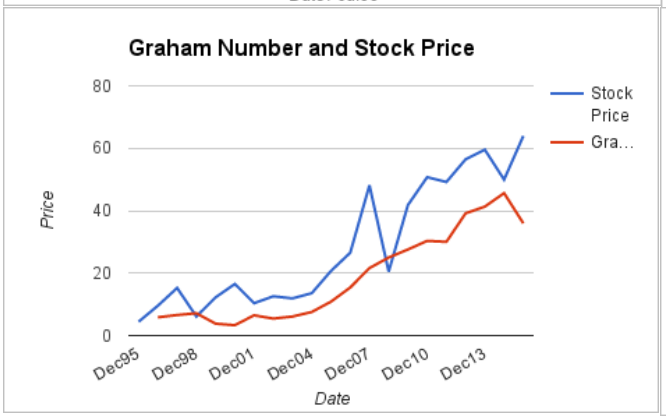
EPS History	
Next Fiscal Year Estimate	$2.49
Dec14	$3.96
Dec13	$2.87
Dec12	$3.02
Dec11	$2.09
Dec10	$2.27
Dec09	$2.11
Dec08	$2.60
Dec07	$2.16
Dec06	$1.36
Dec05	$0.76
Dec04	$0.44
Dec03	$0.31
Dec02	$0.28
Dec01	$0.44
Dec00	$0.13
Dec99	$0.20
Dec98	$0.62
Dec97	$0.63
Dec96	$0.60
Dec95	-$2.50

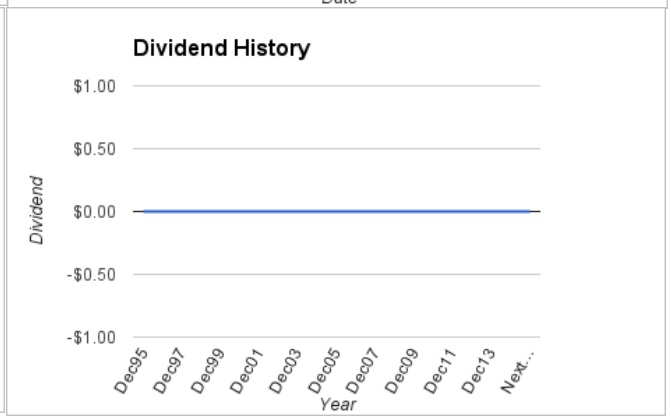
EPSmg History	
Next Fiscal Year Estimate	$3.00
Dec14	$3.12
Dec13	$2.62
Dec12	$2.47
Dec11	$2.21
Dec10	$2.22
Dec09	$2.06
Dec08	$1.85
Dec07	$1.31
Dec06	$0.80
Dec05	$0.50
Dec04	$0.35
Dec03	$0.29
Dec02	$0.30
Dec01	$0.34
Dec00	$0.34
Dec99	$0.27

Balance Sheet Information	Jun15
Total Current Assets	$7,155,000,000
Total Current Liabilities	$3,262,000,000
Long-Term Debt	$2,813,000,000
Total Assets	$11,732,000,000
Intangible Assets	$2,563,000,000
Total Liabilities	$7,315,000,000
Shares Outstanding (Diluted Average)	192,000,000









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

Cameron International Analysis – June 2015 Update $CAM

24 Companies in the Spotlight This Week – 3/28/15

Cameron International Corporation Quarterly Valuation – March 2015 $CAM

27 Companies in the Spotlight This Week – 12/20/14

Cameron International Corporation Quarterly Valuation – December 2014 $CAM

Other ModernGraham posts about related companies

Halliburton Company Analysis – September 2015 Update $HAL

Kinder Morgan Inc. Analysis – September 2015 Update $KMI

Range Resources Corporation Analysis – August 2015 Update $RRC

Helmerich & Payne Inc. Analysis – August 2015 Update $HP

FMC Technologies Inc. Analysis – August 2015 Update $FTI

Denbury Resources Inc. Analysis – August 2015 Update $DNR

Western Refining Inc. Analysis – Initial Coverage $WNR

WPX Energy Inc. Analysis – 2015 Update $WPX

Marathon Petroleum Corporation Analysis – 2015 Update $MPC

Valero Energy Corporation Analysis – July 2015 Update $VLO