# **ModernGraham Valuation**

### **Company Name:**

Company Ticker NOV Date of Analysis National-Oilwell Varco, Inc.



10/16/2015

## 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	\$14,922,479,750	Pass
	2.	Sufficiently Strong Financial Condition	Current Ratio > 2	2.50	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	20.43%	Fail
	6.	Moderate PEmg Ratio	PEmg < 20	9.19	Pass
	7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.80	Pass
Enterprising Investor;	ти	ist pass 4 out of the following 5 tests, or be	e suitable for the Defensive Investor.		
	1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.50	Pass
	2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.49	Pass
	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		Fail

#### Suitability

Defensive	No
Enterprising	Yes

#### Stage 2: Determination of Intrinsic Value

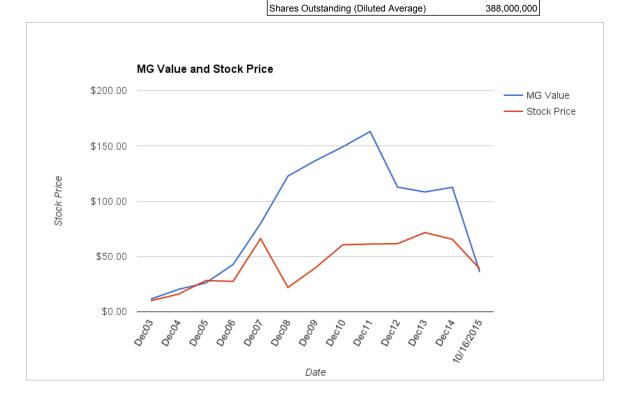
	EPSmg		\$4.23
	MG Growth Estimate		-0.02%
	MG Value		\$35.80
	MG Value based on 3% Growth		\$61.34
	MG Value based on 0% Growth		\$35.96
	Market Implied Growth Rate		0.35%
MG Opinion			
	Current Price		\$38.88
	% of Intrinsic Value		108.60%
	Opinion	Fairly Valued	

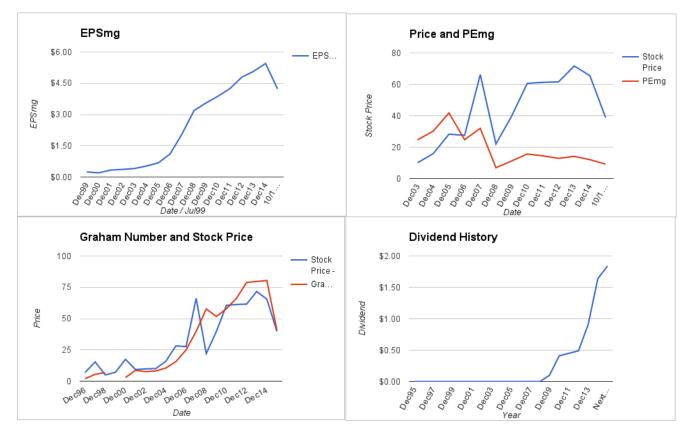
#### Stage 3: Information for Further Research

	Net Current Asset Value (NCAV)		\$4.82
	Graham Number		\$40.65
	PEmg		9.19
	Current Ratio		2.50
	PB Ratio		0.80
	Dividend Yield		4.73%
	Number of Consecutive Years of Divic Growth	lend	7
Useful Links:	ModernGraham tagged articles	Morningstar	
	Google Finance	MSN Money	

Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.50	Next Fiscal Year Estimate	\$4.23
Dec14	\$5.82	Dec14	\$5.45
Dec13	\$5.44	Dec13	\$5.07
Dec12	\$5.83	Dec12	\$4.79
Dec11	\$4.70	Dec11	\$4.24
Dec10	\$3.98	Dec10	\$3.88
Dec09	\$3.52	Dec09	\$3.55
Dec08	\$4.90	Dec08	\$3.19
Dec07	\$3.76	Dec07	\$2.07
Dec06	\$1.94	Dec06	\$1.11
Dec05	\$0.91	Dec05	\$0.68
Dec04	\$0.67	Dec04	\$0.53
Dec03	\$0.47	Dec03	\$0.41
Dec02	\$0.45	Dec02	\$0.36
Dec01	\$0.64	Dec01	\$0.33
Dec00	\$0.08	Dec00	\$0.20
Dec99	-\$0.07	Dec99	\$0.25
Dec98	\$0.60	Balance Sheet Information	Jun15
Dec97	\$0.50	Total Current Assets	\$14,167,000,000
Dec96	\$0.08	Total Current Liabilities	\$5,672,000,000
Dec95	\$0.00	Long-Term Debt	\$4,154,000,000
		Total Assets	\$31,225,000,000
		Intangible Assets	\$12,764,000,000
		Total Liabilities	\$12,298,000,000
			200,000,000





#### 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 Oraham	The Best Companies of the Oil & Gas Industry – August 2015		
ModernGraham posts about the	The 20 Best Stocks For Value Investors This Week – 7/25/15		
company	National Oilwell Varco Analysis – July 2015 Update \$NOV		
	5 Undervalued Companies for Value Investors with a High Beta – July 2015		
	5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – July		
Other	Tesoro Corporation Analysis – October 2015 Update \$TSO		
ModernGraham posts about related	Cameron International Company Analysis – September 2015 Update \$CAM		
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		