

ModernGraham Valuation



Company Name:

Schlumberger
Limited.

Company Ticker

SLB

Date of Analysis

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	\$92,049,334,612	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.66	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	5.15%	Fail
6. Moderate PEmg Ratio	PEmg < 20	18.52	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.45	Pass

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	1.66	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.00	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		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.93
MG Growth Estimate	1.75%
MG Value	\$47.17
MG Value based on 3% Growth	\$56.95
MG Value based on 0% Growth	\$33.38
Market Implied Growth Rate	5.01%

MG Opinion

Current Price	\$72.75
% of Intrinsic Value	154.24%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.07
Graham Number	\$45.37
PEmg	18.52
Current Ratio	1.66
PB Ratio	2.45
Dividend Yield	2.47%
Number of Consecutive Years of Dividend Growth	5

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.05	Next Fiscal Year Estimate	\$3.93
Dec14	\$4.16	Dec14	\$4.27
Dec13	\$5.05	Dec13	\$4.13
Dec12	\$4.10	Dec12	\$3.66
Dec11	\$3.67	Dec11	\$3.52
Dec10	\$3.38	Dec10	\$3.47
Dec09	\$2.59	Dec09	\$3.41
Dec08	\$4.45	Dec08	\$3.52
Dec07	\$4.20	Dec07	\$2.72
Dec06	\$3.01	Dec06	\$1.60
Dec05	\$1.82	Dec05	\$0.74
Dec04	\$1.02	Dec04	\$0.19
Dec03	\$0.33	Dec03	-\$0.14
Dec02	-\$2.00	Dec02	-\$0.19
Dec01	\$0.91	Dec01	\$0.74
Dec00	\$0.64	Dec00	\$0.70
Dec99	\$0.33	Dec99	\$0.75
Dec98	\$0.91	Balance Sheet Information Jun15	
Dec97	\$1.24	Total Current Assets	\$22,861,000,000
Dec96	\$0.85	Total Current Liabilities	\$13,774,000,000
Dec95	\$0.66	Long-Term Debt	\$9,110,000,000
		Total Assets	\$64,753,000,000
		Intangible Assets	\$20,050,000,000
		Total Liabilities	\$26,788,000,000
		Shares Outstanding (Diluted Average)	1,280,000,000





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

- [Schlumberger Limited Analysis – July 2015 Update \\$SLB](#)
- [Schlumberger Limited Quarterly Valuation – April 2015 \\$SLB](#)
- [Schlumberger Limited Quarterly Valuation – January 2015 \\$SLB](#)
- [13 Companies in the Spotlight This Week – 10/4/14](#)
- [Schlumberger Limited Quarterly Stock Valuation – October 2014 \\$SLB](#)

Other ModernGraham posts about related companies

- [Tesoro Corporation Analysis – October 2015 Update \\$TSO](#)
- [Cameron International Company Analysis – September 2015 Update \\$CAM](#)
- [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](#)