

ModernGraham Valuation



Company Name:

Schlumberger Limited.

Company Ticker SLB

Date of Analysis

2/4/2016

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	\$88,988,549,979	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.91	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	-32.92%	Fail
6. Moderate PEmg Ratio	PEmg < 20	25.22	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.50	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	1.91	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.13	Fail
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	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.80
MG Growth Estimate	-3.55%
MG Value	\$3.92
MG Value based on 3% Growth	\$40.55
MG Value based on 0% Growth	\$23.77
Market Implied Growth Rate	8.36%

MG Opinion

Current Price	\$70.54
% of Intrinsic Value	1798.25%
Opinion	Overvalued

Stage 3: Information for Further Research

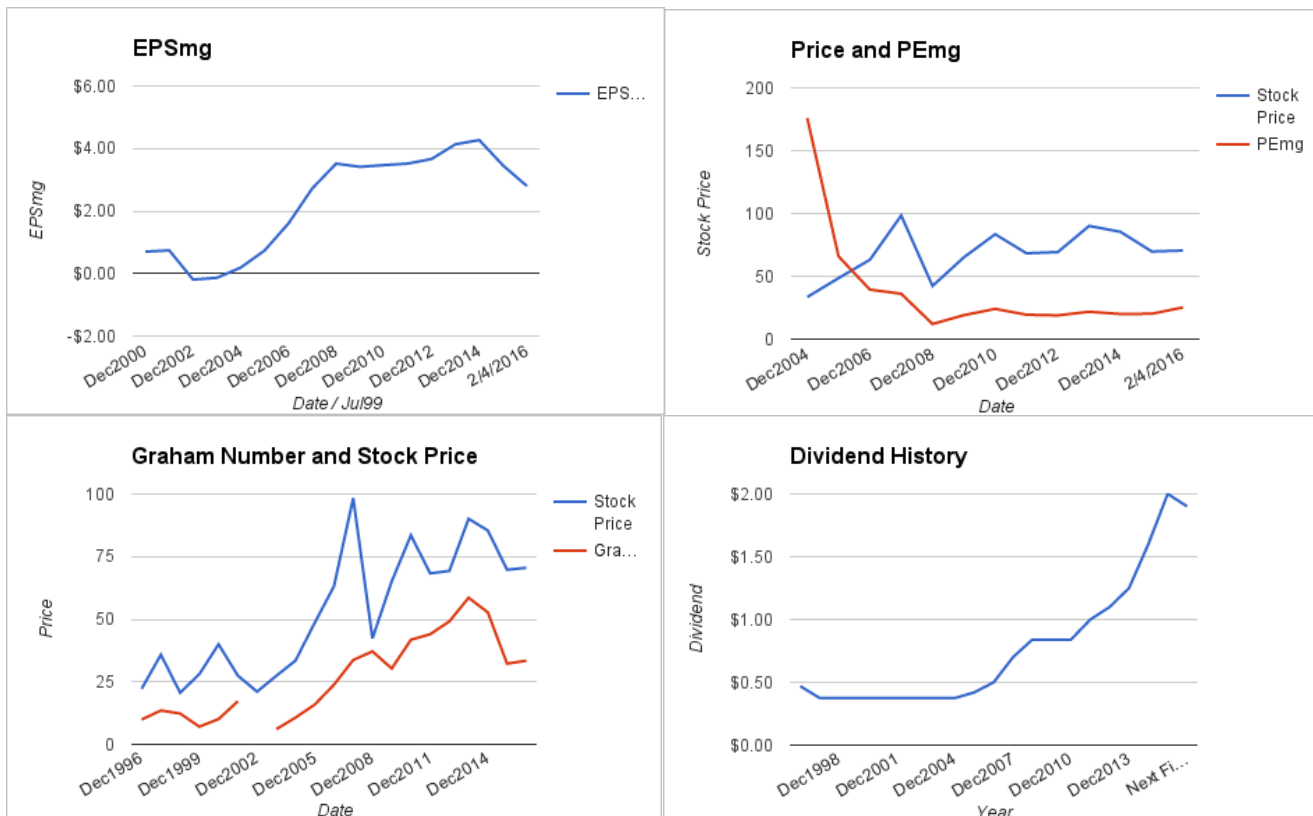
Net Current Asset Value (NCAV)	-\$4.33
Graham Number	\$33.42
PEmg	25.22
Current Ratio	1.91
PB Ratio	2.50
Dividend Yield	2.69%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.75	Next Fiscal Year Estimate	\$2.80
Dec2015	\$1.63	Dec2015	\$3.45
Dec2014	\$4.16	Dec2014	\$4.27
Dec2013	\$5.05	Dec2013	\$4.13
Dec2012	\$4.10	Dec2012	\$3.66
Dec2011	\$3.67	Dec2011	\$3.52
Dec2010	\$3.38	Dec2010	\$3.47
Dec2009	\$2.59	Dec2009	\$3.41
Dec2008	\$4.45	Dec2008	\$3.52
Dec2007	\$4.20	Dec2007	\$2.72
Dec2006	\$3.01	Dec2006	\$1.60
Dec2005	\$1.82	Dec2005	\$0.74
Dec2004	\$1.02	Dec2004	\$0.19
Dec2003	\$0.33	Dec2003	-\$0.14
Dec2002	-\$2.00	Dec2002	-\$0.19
Dec2001	\$0.91	Dec2001	\$0.74
Dec2000	\$0.64	Dec2000	\$0.70
Dec1999	\$0.33	Balance Sheet Information Dec2015	
Dec1998	\$0.91	Total Current Assets	\$26,912,000,000
Dec1997	\$1.24	Total Current Liabilities	\$14,121,000,000
Dec1996	\$0.85	Long-Term Debt	\$14,442,000,000
		Total Assets	\$68,005,000,000
		Intangible Assets	\$20,174,000,000
		Total Liabilities	\$32,372,000,000
		Shares Outstanding (Diluted Average)	1,261,100,000





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 Valuation – October 2015 Update \\$SLB](#)
- [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](#)

Other ModernGraham posts about related companies

- [National Oilwell Varco Inc Valuation – February 2016 Update \\$NOV](#)
- [Southwestern Energy Company Valuation – February 2016 Update \\$SWN](#)
- [Apache Corporation Valuation – January 2016 Update \\$APA](#)
- [Anadarko Petroleum Corp Valuation – January 2016 Update \\$APC](#)
- [Cabot Oil & Gas Corp Valuation – December 2015 Update \\$COG](#)
- [Helmerich & Payne Inc Valuation – November 2015 Update \\$HP](#)
- [Murphy Oil Corporation Valuation – November 2015 Update \\$MUR](#)
- [Denbury Resources Inc. Valuation – November 2015 Update \\$DNR](#)
- [Western Refining Inc. Valuation – October 2015 Update \\$WNR](#)
- [Valero Energy Corporation Valuation – October 2015 Update \\$VLO](#)