

ModernGraham Valuation

Company Name:

Nabors Industries Ltd.

Company Ticker

NBR

Date of Analysis

7/12/2016



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	\$2,743,945,866	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.45	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-235.45%	Fail
5. Earnings Growth	PEmg < 20	-5.95	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.72	Fail
7. Moderate Price to Assets			

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	1.45	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	9.24	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
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	-\$1.71
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$24.84
MG Value based on 0% Growth	-\$14.56
Market Implied Growth Rate	-7.22%

MG Opinion

Current Price	\$10.19
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$13.73
Graham Number	\$0.00
PEmg	-5.95
Current Ratio	1.45
PB Ratio	0.72
Current Dividend	\$0.24
Dividend Yield	2.36%
Number of Consecutive Years of Dividend Growth	4

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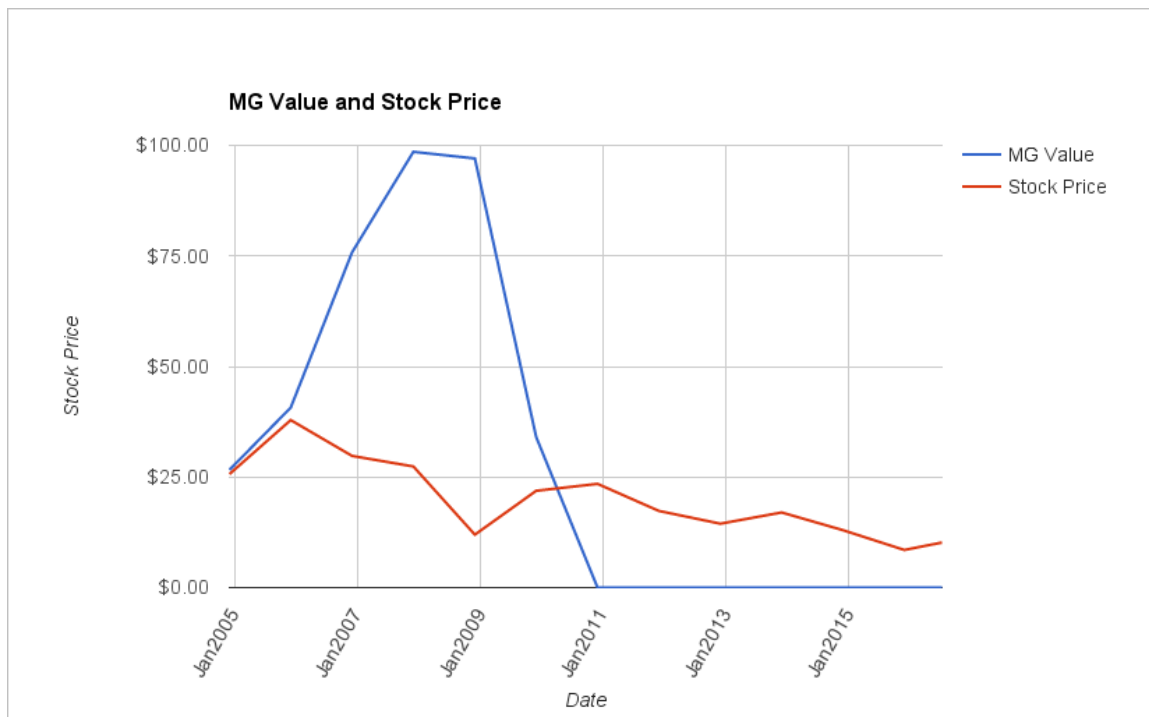
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EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$3.04	Next Fiscal Year Estimate	-\$1.71
Dec2015	-\$1.29	Dec2015	-\$0.81
Dec2014	-\$2.28	Dec2014	-\$0.39
Dec2013	\$0.47	Dec2013	\$0.50
Dec2012	\$0.56	Dec2012	\$0.56
Dec2011	\$0.83	Dec2011	\$0.78
Dec2010	\$0.33	Dec2010	\$1.08
Dec2009	-\$0.30	Dec2009	\$1.65
Dec2008	\$1.93	Dec2008	\$2.52
Dec2007	\$3.25	Dec2007	\$2.56
Dec2006	\$3.40	Dec2006	\$1.97
Dec2005	\$2.00	Dec2005	\$1.18
Dec2004	\$0.96	Dec2004	\$0.75
Dec2003	\$0.63	Dec2003	\$0.61
Dec2002	\$0.41	Dec2002	\$0.58
Dec2001	\$1.12	Dec2001	\$0.63
Dec2000	\$0.45	Dec2000	\$0.39
Dec1999	\$0.12	Balance Sheet Information 3/1/2016	
Dec1998	\$0.58	Total Current Assets	\$1,259,387,000
Sep1997	\$0.53	Total Current Liabilities	\$871,268,000
Sep1996	\$0.38	Long-Term Debt	\$3,584,402,000
		Total Assets	\$8,950,331,000
		Intangible Assets	\$167,217,000
		Total Liabilities	\$5,046,011,000
		Shares Outstanding (Diluted Average)	275,851,000





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.

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