ModernGraham Valuation

Company Name:

Transocean LTD

ModernGraham

Company Ticker RIG

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.

Market Cap > \$2Bil	\$4,759,763,365 Pass
Current Ratio > 2	1.82 Fail
Positive EPS for 10 years prior	Fail
Dividend Payments for 10 years prior	Fail
Increase of 33% in EPS in past 10	
beginning and end	-108.98% Fail
PEmg < 20	-173.51 Fail
PB Ratio < 2.5 OR PB*PEmg < 50	0.32 Fail
	Current Ratio > 2 Positive EPS for 10 years prior Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end PEmg < 20

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	1.82 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.43 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	Pass

Suitability

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.07
MG Growth Estimate	14.49%
MG Value	-\$2.77
MG Value based on 3% Growth	-\$1.07
MG Value based on 0% Growth	-\$0.63
Market Implied Growth Rate	-91.01%
Current Price	\$12.84
% of Intrinsic Value	-463.00%

Opinion Undervalued

MG Grade C

Stage 3: Information for Further Research

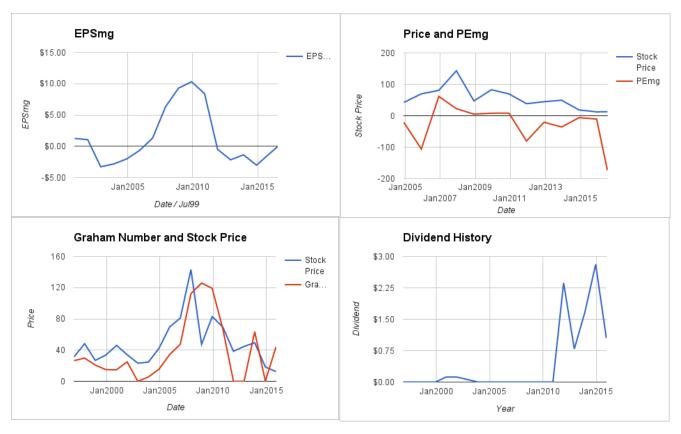
Net Current Asset Value (NCAV)	-\$18.65
Graham Number	\$0.00
PEmg	-173.51
Current Ratio	1.82
PB Ratio	0.32
Current Dividend	\$1.05
Dividend Yield	8.18%
Number of Consecutive Years of Dividend Growth	0

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	-\$0.20	Next Fiscal Year Estimate	-\$0.07
Dec2015	\$2.16	Dec2015	-\$1.19
Dec2014	-\$5.29	Dec2014	-\$3.03
Dec2013	\$3.87	Dec2013	-\$1.38
Dec2012	-\$0.62	Dec2012	-\$2.17
Dec2011	-\$17.79	Dec2011	-\$0.48
Dec2010	\$2.99	Dec2010	\$8.41
Dec2009	\$9.84	Dec2009	\$10.31
Dec2008	\$13.09	Dec2008	\$9.31
Dec2007	\$14.14	Dec2007	\$6.35
Dec2006	\$4.28	Dec2006	\$1.32
Dec2005	\$2.13	Dec2005	-\$0.66
Dec2004	\$0.47	Dec2004	-\$2.03
Dec2003	\$0.06	Dec2003	-\$2.83
Dec2002	-\$11.69	Dec2002	-\$3.28
Dec2001	\$0.80	Dec2001	\$1.06
Dec2000	\$0.51	Dec2000	\$1.25
Dec1999	\$0.53	Balance Sheet Information	3/1/2016
Dec1998	\$3.41	Total Current Assets	\$4,700,000,000
Dec1997	\$1.38	Total Current Liabilities	\$2,588,000,000
Dec1996	\$1.09	Long-Term Debt	\$7,253,000,000
		Total Assets	\$26,245,000,000
		Intangible Assets	\$0
		Total Liabilities	\$11,487,000,000
		Shares Outstanding (Diluted Average)	364,000,000





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

47 Companies in the Spotlight This Week – 5/16/15
Transocean Limited Annual Valuation – 2015 \$RIG
16 Companies in the Spotlight This Week – 5/24/14
Transocean Ltd. (RIG) Annual Valuation – 2014

Hess Corp Valuation – July 2016 \$HES

Other ModernGraham posts about related companies

EQT Corporation Valuation – July 2016 \$EQT

QEP Resources Inc Valuation – July 2016 \$QEP

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Spectra Energy Corp Valuation – June 2016 \$SE

Helmerich & Payne Inc Valuation – June 2016 \$HP

Chesapeake Energy Corp Valuation – June 2016 \$CHK

AGL Resources Inc Valuation – June 2016 \$GAS

Pioneer Natural Resources Valuation – June 2016 \$PXD

Williams Companies Inc Valuation – June 2016 \$WMB