

# ModernGraham Valuation

Company Name:

ENSCO PLC

Company Ticker ESV

Date of Analysis

8/27/2016



## 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	\$2,338,606,852	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.18	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-204.84%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-2.43	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.28	Fail

*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	4.18	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.52	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$3.22
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$46.62
MG Value based on 0% Growth	-\$27.33
Market Implied Growth Rate	-5.46%

### MG Opinion

Current Price	\$7.80
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$11.70
Graham Number	\$38.70
PEmg	-2.43
Current Ratio	4.18
PB Ratio	0.28
Current Dividend	\$0.32
Dividend Yield	4.10%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.55	Next Fiscal Year Estimate	-\$3.22
Dec2015	-\$6.88	Dec2015	-\$4.70
Dec2014	-\$16.88	Dec2014	-\$2.32
Dec2013	\$6.07	Dec2013	\$4.89
Dec2012	\$5.04	Dec2012	\$4.58
Dec2011	\$3.08	Dec2011	\$4.72
Dec2010	\$4.06	Dec2010	\$5.65
Dec2009	\$5.48	Dec2009	\$6.11
Dec2008	\$8.02	Dec2008	\$5.77
Dec2007	\$6.73	Dec2007	\$4.09
Dec2006	\$5.04	Dec2006	\$2.41
Dec2005	\$1.87	Dec2005	\$1.06
Dec2004	\$0.62	Dec2004	\$0.69
Dec2003	\$0.66	Dec2003	\$0.69
Dec2002	\$0.33	Dec2002	\$0.75
Dec2001	\$1.50	Dec2001	\$1.01
Dec2000	\$0.61	Dec2000	\$0.83
Dec1999	\$0.00	<b>Balance Sheet Information 6/1/2016</b>	
Dec1998	\$1.81	Total Current Assets	\$2,554,700,000
Dec1997	\$1.63	Total Current Liabilities	\$610,800,000
Dec1996	\$0.72	Long-Term Debt	\$4,905,600,000
		Total Assets	\$13,765,000,000
		Intangible Assets	\$0
		Total Liabilities	\$5,885,100,000
		Shares Outstanding (Diluted Average)	284,600,000





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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