

# ModernGraham Valuation

## Company Name:

Company Ticker NOV

Date of Analysis

12/28/2016

National-Oilwell  
Varco, Inc.



## 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	\$14,699,450,408	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.33	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-109.20%	Fail
6. Moderate PEmg Ratio	PEmg < 20	394.32	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.97	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	3.33	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.53	Pass
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	\$0.10
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$3.55</b>
MG Value based on 3% Growth	\$1.41
MG Value based on 0% Growth	\$0.83
Market Implied Growth Rate	192.91%

### MG Opinion

Current Price	\$38.38
% of Intrinsic Value	1080.96%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.55
Graham Number	\$0.00
PEmg	394.32
Current Ratio	3.33
PB Ratio	0.97
Current Dividend	\$1.02
Dividend Yield	2.66%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$4.95	Next Fiscal Year Estimate	\$0.10
Dec2015	-\$1.99	Dec2015	\$3.07
Dec2014	\$5.82	Dec2014	\$5.45
Dec2013	\$5.44	Dec2013	\$5.07
Dec2012	\$5.83	Dec2012	\$4.79
Dec2011	\$4.70	Dec2011	\$4.24
Dec2010	\$3.98	Dec2010	\$3.88
Dec2009	\$3.52	Dec2009	\$3.55
Dec2008	\$4.90	Dec2008	\$3.19
Dec2007	\$3.76	Dec2007	\$2.07
Dec2006	\$1.94	Dec2006	\$1.11
Dec2005	\$0.91	Dec2005	\$0.68
Dec2004	\$0.67	Dec2004	\$0.53
Dec2003	\$0.47	Dec2003	\$0.41
Dec2002	\$0.45	Dec2002	\$0.36
Dec2001	\$0.64	Dec2001	\$0.33
Dec2000	\$0.08	Dec2000	\$0.20
Dec1999	-\$0.07	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$0.60	Total Current Assets	\$8,711,000,000
Dec1997	\$0.50	Total Current Liabilities	\$2,615,000,000
Dec1996	\$0.08	Long-Term Debt	\$3,210,000,000
		Total Assets	\$22,194,000,000
		Intangible Assets	\$9,641,000,000
		Total Liabilities	\$7,376,000,000
		Shares Outstanding (Diluted Average)	376,000,000





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**

- [26 Best Stocks For Value Investors This Week – 2/6/16](#)
- [National Oilwell Varco Inc Valuation – February 2016 Update \\$NOV](#)
- [10 Low PE Stocks for the Enterprising Investor – February 2016](#)
- [10 Low PE Stocks for the Enterprising Investor – January 2016](#)
- [13 Best Stocks For Value Investors This Week – 10/17/15](#)

**Other ModernGraham posts about related companies**

- [Canadian Energy Services & Technology Corp Valuation – Initial Coverage \\$CEU](#)
- [WPX Energy Inc Valuation – September 2016 \\$WPX](#)
- [Newfield Exploration Co Valuation – December 2016 \\$NFX](#)
- [World Fuel Services Corp Valuation – Initial Coverage \\$INT](#)
- [Shawcor Ltd Valuation – Initial Coverage \\$TSE:SCL](#)
- [Imperial Oil Limited Valuation – Initial Coverage \\$IMO](#)
- [Phillips 66 Valuation – August 2016 \\$PSX](#)
- [FMC Technologies Inc Valuation – August 2016 \\$FTI](#)
- [Marathon Petroleum Corp Valuation – August 2016 \\$MPC](#)
- [Magellan Midstream Partners LP Valuation – August 2016 \\$MMP](#)