

# ModernGraham Valuation

National-Oilwell  
Varco, Inc.



**Company Name:**

Company Ticker NOV

Date of Analysis

5/2/2018

## 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	\$14,671,302,739	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.37	Pass
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	-159.10%	Fail
5. Earnings Growth	PEmg < 20	-27.76	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.03	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	3.37	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.54	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 Score		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$1.38
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$3.34</b>
MG Value based on 3% Growth	-\$20.07
MG Value based on 0% Growth	-\$11.76
Market Implied Growth Rate	-18.13%

### MG Opinion

Current Price	\$38.42
% of Intrinsic Value	1151.38%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.34
Graham Number	\$0.00
PEmg	-27.76
Current Ratio	3.37
PB Ratio	1.03
Current Dividend	\$0.20
Dividend Yield	0.52%
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	-\$0.17	Next Fiscal Year Estimate	-\$1.38
Dec2017	-\$0.63	Dec2017	-\$1.18
Dec2016	-\$6.41	Dec2016	-\$0.39
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	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$0.08	Total Current Assets	\$7,186,000,000
Dec1999	-\$0.07	Total Current Liabilities	\$2,132,000,000
Dec1998	\$0.60	Long-Term Debt	\$2,707,000,000
		Total Assets	\$20,010,000,000
		Intangible Assets	\$9,432,000,000
		Total Liabilities	\$5,928,000,000
		Shares Outstanding (Diluted Average)	377,000,000





**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**

- [National-Oilwell Varco Valuation – December 2016 \\$NOV](#)
- [5 of the Worst Stocks to Invest In – August 2016](#)
- [National-Oilwell Varco Inc Valuation – August 2016 \\$NOV](#)
- [26 Best Stocks For Value Investors This Week – 2/6/16](#)
- [National Oilwell Varco Inc Valuation – February 2016 Update \\$NOV](#)

**Other ModernGraham posts about related companies**

- [Phillips 66 Valuation – April 2018 \\$PSX](#)
- [Baker Hughes, a GE Co Valuation – April 2018 \\$BHGE](#)
- [Marathon Petroleum Corp Valuation – April 2018 \\$MPC](#)
- [TechnipFMC PLC Valuation – April 2018 \\$FTI](#)
- [EOG Resources Inc Valuation – April 2018 \\$EOG](#)
- [ConocoPhillips Valuation – April 2018 \\$COP](#)
- [Devon Energy Corp Valuation – March 2018 \\$DVN](#)
- [Noble Energy Inc Valuation – March 2018 \\$NBL](#)
- [ONEOK Inc Valuation – March 2018 \\$OKE](#)
- [Marathon Oil Corp Valuation – March 2018 \\$MRO](#)