

# ModernGraham Valuation

Rowan Companies  
PLC



Company Name:

Company Ticker RDC

Date of Analysis

6/30/2018

## 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	\$2,078,905,926	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	6.03	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	-111.37%	Fail
5. Earnings Growth	PEmg < 20	-20.97	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.39	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	6.03	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.10	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
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	-\$0.77
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$11.21
MG Value based on 0% Growth	-\$6.57
Market Implied Growth Rate	-14.74%

### MG Opinion

Current Price	\$16.22
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

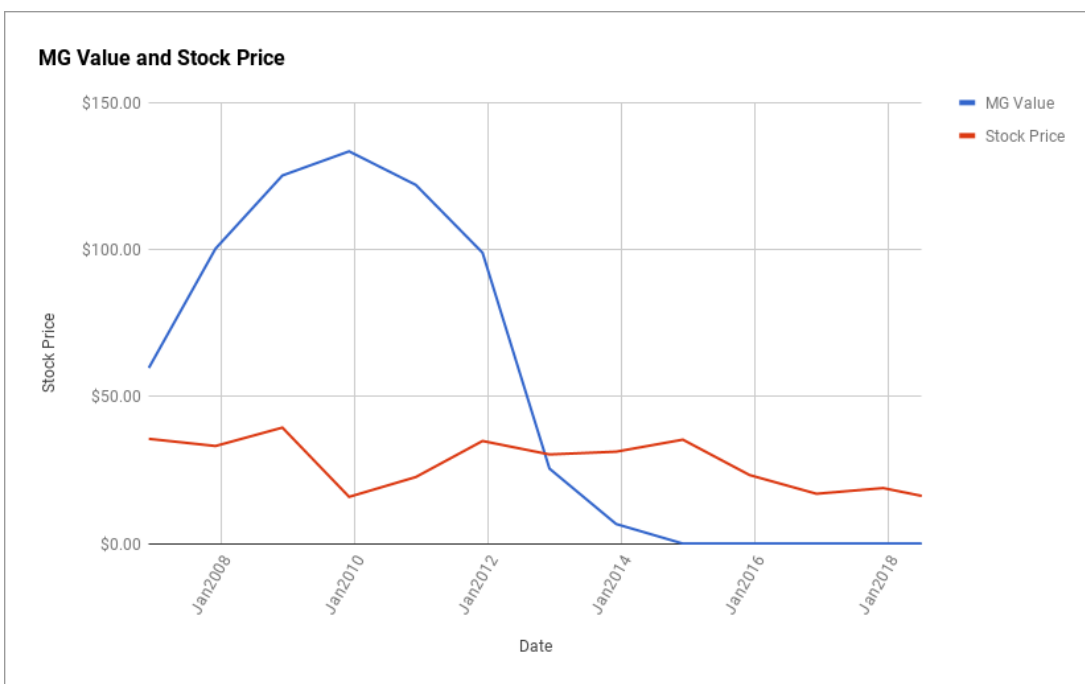
Net Current Asset Value (NCAV)	-\$12.75
Graham Number	\$0.00
PEmg	-20.97
Current Ratio	6.03
PB Ratio	0.39
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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[Morningstar](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$4.42	Next Fiscal Year Estimate	-\$0.77
Dec2017	\$0.57	Dec2017	\$1.03
Dec2016	\$2.55	Dec2016	\$1.23
Dec2015	\$0.75	Dec2015	\$0.99
Dec2014	-\$0.93	Dec2014	\$1.46
Dec2013	\$2.03	Dec2013	\$2.76
Dec2012	\$1.46	Dec2012	\$3.20
Dec2011	\$5.83	Dec2011	\$4.01
Dec2010	\$2.36	Dec2010	\$3.17
Dec2009	\$3.24	Dec2009	\$3.47
Dec2008	\$3.77	Dec2008	\$3.25
Dec2007	\$4.31	Dec2007	\$2.61
Dec2006	\$2.85	Dec2006	\$1.55
Dec2005	\$2.08	Dec2005	\$0.85
Dec2004	-\$0.01	Dec2004	\$0.31
Dec2003	-\$0.08	Dec2003	\$0.46
Dec2002	\$0.90	Dec2002	\$0.74
Dec2001	\$0.80	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$0.74	Total Current Assets	\$1,432,200,000
Dec1999	-\$0.12	Total Current Liabilities	\$237,500,000
Dec1998	\$1.43	Long-Term Debt	\$2,510,500,000
		Total Assets	\$8,328,000,000
		Intangible Assets	\$0
		Total Liabilities	\$3,044,800,000
		Shares Outstanding (Diluted Average)	126,500,000





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

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[27 Companies in the Spotlight This Week – 4/4/15](#)  
[Rowan Companies plc Annual Valuation – 2015 \\$RDC](#)  
[17 Companies in the Spotlight This Week – 3/29/14](#)  
[Rowan Companies \(RDC\) Annual Valuation – 2014](#)

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[Concho Resources Inc Valuation – June 2018 \\$CXO](#)  
[Vlaero Energy Corp Valuation – June 2018 \\$VLO](#)  
[Occidental Petroleum Corp Valuation – June 2018 \\$OXY](#)  
[Andeavor Valuation – May 2018 \\$ANDV](#)  
[Halliburton Co Valuation – May 2018 \\$HAL](#)  
[National Oilwell Varco Inc Valuation – May 2018 \\$NOV](#)  
[Newfield Exploration Co Valuation – May 2018 \\$NFX](#)  
[Kinder Morgan Inc Valuation – May 2018 \\$KMI](#)  
[Range Resources Corp Valuation – May 2018 \\$RRC](#)