

ModernGraham Valuation

Company Name:

Transocean LTD

Company Ticker RIG

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	\$6,157,982,137	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.50	Fail
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	41.86%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-6.09	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.44	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	1.50	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.24	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$2.21
MG Growth Estimate	3.88%
MG Value	\$0.00
MG Value based on 3% Growth	-\$32.02
MG Value based on 0% Growth	-\$18.77
Market Implied Growth Rate	-7.29%

MG Opinion

Current Price	\$13.44
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$17.64
Graham Number	\$0.00
PEmg	-6.09
Current Ratio	1.50
PB Ratio	0.44
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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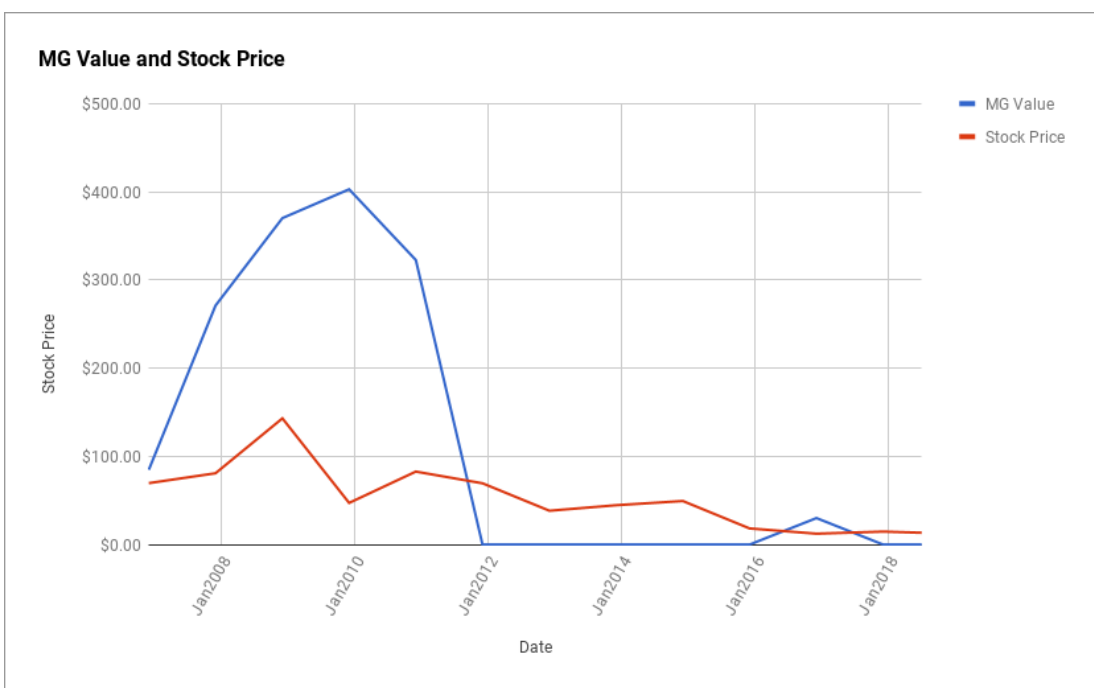
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EPS History		EPSmg History	
Next Fiscal Year Estimate	-1.40	Next Fiscal Year Estimate	-2.21
Dec2017	-8.00	Dec2017	-2.06
Dec2016	2.08	Dec2016	0.78
Dec2015	2.36	Dec2015	-1.07
Dec2014	-5.08	Dec2014	-2.98
Dec2013	3.87	Dec2013	-1.41
Dec2012	-0.62	Dec2012	-2.25
Dec2011	-17.88	Dec2011	-0.61
Dec2010	2.88	Dec2010	8.38
Dec2009	9.84	Dec2009	10.46
Dec2008	12.53	Dec2008	9.62
Dec2007	14.14	Dec2007	7.04
Dec2006	6.10	Dec2006	2.20
Dec2005	3.03	Dec2005	-0.30
Dec2004	0.67	Dec2004	-1.96
Dec2003	0.06	Dec2003	-2.83
Dec2002	-11.69	Dec2002	-3.30
Dec2001	0.80	Balance Sheet Information 3/1/2018	
Dec2000	0.51	Total Current Assets	\$4,543,000,000
Dec1999	0.53	Total Current Liabilities	\$3,022,000,000
Dec1998	3.12	Long-Term Debt	\$7,976,000,000
		Total Assets	\$25,695,000,000
		Intangible Assets	\$1,073,000,000
		Total Liabilities	\$12,268,000,000
		Shares Outstanding (Diluted Average)	438,000,000





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:

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company

- [Transocean Ltd Valuation – July 2016 \\$RIG](#)
- [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](#)

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- [Cabot Oil & Gas Corp Valuation – June 2018 \\$COG](#)
- [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](#)