

ModernGraham Valuation

Schlumberger
Limited.



Company Name:

Company Ticker SLB

Date of Analysis

6/26/2018

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	\$91,446,490,733	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.11	Fail
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	-105.39%	Fail
6. Moderate PEmg Ratio	PEmg < 20	118.17	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.47	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	1.11	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	7.27	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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.56
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$8.10
MG Value based on 0% Growth	\$4.75
Market Implied Growth Rate	54.84%

MG Opinion

Current Price	\$66.02
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$11.55
Graham Number	\$32.84
PEmg	118.17
Current Ratio	1.11
PB Ratio	2.47
Current Dividend	\$2.00
Dividend Yield	3.03%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History			EPSmg History		
Next Fiscal Year Estimate		\$1.80	Next Fiscal Year Estimate		\$0.56
Dec2017		-\$1.08	Dec2017		\$0.53
Dec2016		-\$1.24	Dec2016		\$1.80
Dec2015		\$1.63	Dec2015		\$3.45
Dec2014		\$4.16	Dec2014		\$4.27
Dec2013		\$5.05	Dec2013		\$4.13
Dec2012		\$4.10	Dec2012		\$3.66
Dec2011		\$3.67	Dec2011		\$3.52
Dec2010		\$3.38	Dec2010		\$3.47
Dec2009		\$2.59	Dec2009		\$3.41
Dec2008		\$4.45	Dec2008		\$3.52
Dec2007		\$4.20	Dec2007		\$2.72
Dec2006		\$3.01	Dec2006		\$1.60
Dec2005		\$1.82	Dec2005		\$0.74
Dec2004		\$1.02	Dec2004		\$0.19
Dec2003		\$0.33	Dec2003		-\$0.14
Dec2002		-\$2.00	Dec2002		-\$0.19
Dec2001		\$0.91	Balance Sheet Information 3/1/2018		
Dec2000		\$0.64	Total Current Assets		\$18,055,000,000
Dec1999		\$0.33	Total Current Liabilities		\$16,195,000,000
Dec1998		\$0.91	Long-Term Debt		\$13,526,000,000
			Total Assets		\$71,478,000,000
			Intangible Assets		\$34,337,000,000
			Total Liabilities		\$34,152,000,000
			Shares Outstanding (Diluted Average)		1,394,000,000





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

- [Schlumberger Limited Valuation – July 2017 \\$SLB](#)
- [Schlumberger Ltd Valuation – February 2016 \\$SLB](#)
- [Schlumberger Limited Valuation – October 2015 Update \\$SLB](#)
- [Schlumberger Limited Analysis – July 2015 Update \\$SLB](#)
- [Schlumberger Limited Quarterly Valuation – April 2015 \\$SLB](#)

Other ModernGraham posts about related companies

- [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](#)