

ModernGraham Valuation

Company Name:

Company Ticker NOV

Date of Analysis

2/24/2019

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	\$10,920,171,664	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.11	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-106.13%	Fail
5. Earnings Growth	PEmg < 20	-23.84	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.78	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	3.11	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.55	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$1.19
MG Growth Estimate	-4.25%
MG Value	\$3.63
MG Value based on 3% Growth	-\$17.32
MG Value based on 0% Growth	-\$10.15
Market Implied Growth Rate	-16.17%

MG Opinion

Current Price	\$28.48
% of Intrinsic Value	784.65%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

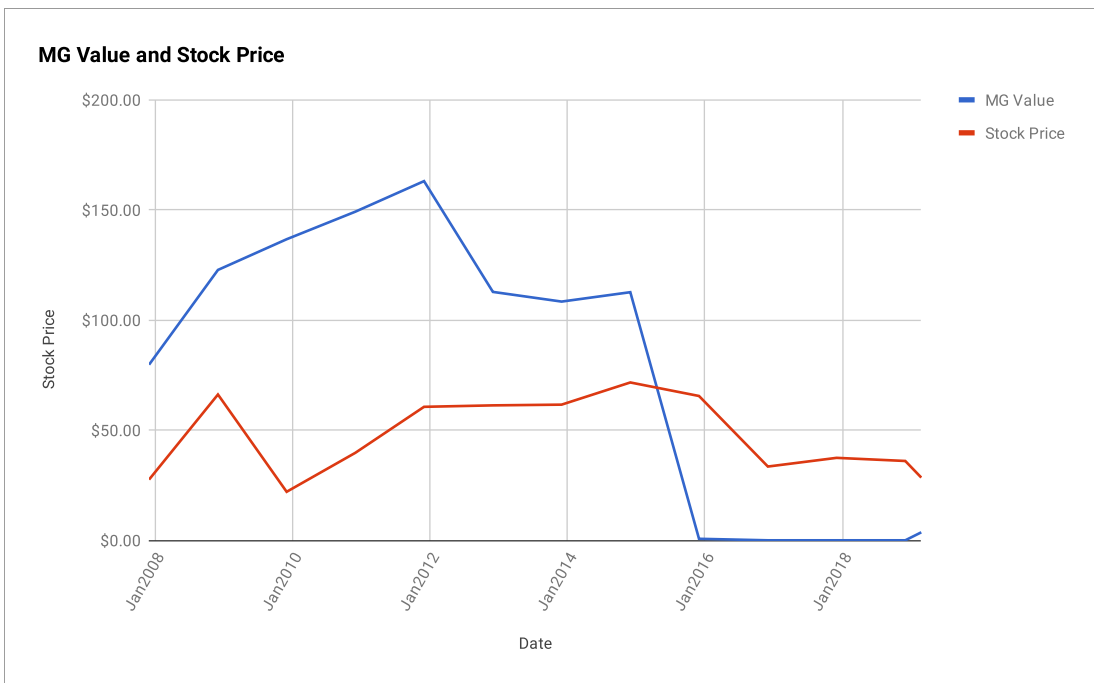
Net Current Asset Value (NCAV)	\$3.63
Graham Number	\$0.00
PEmg	-23.84
Current Ratio	3.11
PB Ratio	0.78
Current Dividend	\$0.20
Dividend Yield	0.70%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$0.18	Next Fiscal Year Estimate	-\$1.19
Dec2018	-\$0.08	Dec2018	-\$1.35
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	Balance Sheet Information 12/1/2018	
Dec2001	\$0.64	Total Current Assets	\$7,279,000,000
Dec2000	\$0.08	Total Current Liabilities	\$2,341,000,000
Dec1999	-\$0.07	Long-Term Debt	\$2,704,000,000
		Total Assets	\$19,796,000,000
		Intangible Assets	\$9,284,000,000
		Total Liabilities	\$5,907,000,000
		Shares Outstanding (Diluted Average)	378,000,000





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

- [10 Most Overvalued Stocks of the S&P 500 – July 2018](#)
- [National Oilwell Varco Inc Valuation – May 2018 \\$NOV](#)
- [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](#)

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- [Diamondback Energy Inc Valuation – February 2019 \\$FANG](#)
- [TechnipFMC PLC Valuation – February 2019 \\$FTI](#)
- [Marathon Petroleum Corp Valuation – February 2019 \\$MPC](#)
- [Baker Hughes, a GE Co Valuation – February 2019 \\$BHGE](#)
- [EOG Resources Inc Valuation – February 2019 \\$EOG](#)
- [ConocoPhillips Valuation – February 2019 \\$COP](#)
- [Devon Energy Corp Valuation – January 2019 \\$DVN](#)
- [Noble Energy Inc Valuation – January 2019 \\$NBL](#)
- [ONEOK Inc Valuation – January 2019 \\$OKE](#)
- [Marathon Oil Corp Valuation – January 2019 \\$MRO](#)