

ModernGraham Valuation

Schlumberger
Limited.



Company Name:

Company Ticker SLB

Date of Analysis

3/31/2019

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	\$60,386,843,187	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.17	Fail
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		
5. Earnings Growth		-83.41%	Fail
6. Moderate PEmg Ratio	PEmg < 20	72.38	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.66	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	1.17	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	6.52	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	\$0.60
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$8.73
MG Value based on 0% Growth	\$5.12
Market Implied Growth Rate	31.94%

MG Opinion

Current Price	\$43.57
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

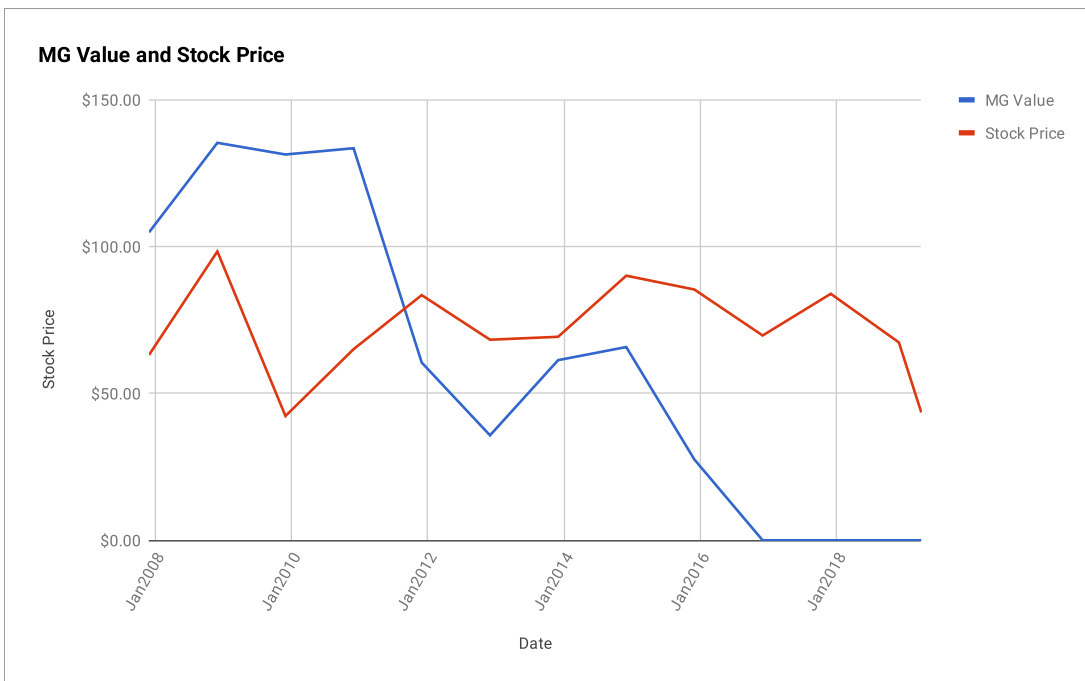
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$13.06
Graham Number	\$28.70
PEmg	72.38
Current Ratio	1.17
PB Ratio	1.66
Current Dividend	\$2.00
Dividend Yield	4.59%
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	\$1.40	Next Fiscal Year Estimate	\$0.60
Dec2018	\$1.53	Dec2018	\$0.47
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	Balance Sheet Information 12/1/2018	
Dec2001	\$0.91	Total Current Assets	\$15,731,000,000
Dec2000	\$0.64	Total Current Liabilities	\$13,486,000,000
Dec1999	\$0.33	Long-Term Debt	\$14,644,000,000
		Total Assets	\$70,507,000,000
		Intangible Assets	\$33,658,000,000
		Total Liabilities	\$33,921,000,000
		Shares Outstanding (Diluted Average)	1,393,000,000





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 Ltd Valuation – June 2018 \\$SLB](#)
- [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](#)

Other ModernGraham posts about related companies

- [Anadarko Petroleum Corp Valuation – March 2019 #APC](#)
- [Apache Corp Valuation – March 2019 #APA](#)
- [Cabot Oil & Gas Corp Valuation – March 2019 #COG](#)
- [Concho Resources Inc Valuation – March 2019 #CXO](#)
- [Valero Energy Corp Valuation – March 2019 #VLO](#)
- [Occidental Petroleum Corp Valuation – March 2019 #OXY](#)
- [Phillips 66 Valuation – March 2019 #PSX](#)
- [Halliburton Co Valuation – March 2019 #HAL](#)
- [Kinder Morgan Inc Valuation – February 2019 \\$KMI](#)
- [National Oilwell Varco Inc Valuation – February 2019 \\$NOV](#)