

Company name	Cnooc Ltd. ADR
Company ticker	CEO
Required yearly return	10,00%

PPS (USD)	101,59
Number of shares (M)	447,07
Market value (M)	45 417,34

Asset valuation

BVPS	134,38
P/B	0,76
IAPS	5,56
PTBV	0,79
Equity ratio	57,27%
3y SE gwth (2011-2015)	12,31%
5y SE gwth (2011-2015)	46,18%
10y SE gwth (2006-2015)	248,71%
3y SE CAGR (2013-2015)	7,41%
5y SE CAGR (2011-2015)	12,22%
10y SE CAGR (2006-2015)	17,30%

<i>Valuation</i>	<i>Upside</i>
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TBVPs	128,82	27%
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Tot. y return on book (10y SE CAGR + Div.)	24,54%
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(10y SE CAGR + Dividend)/PTBV	31,12%	211%
-> Target price	316,13	

Number of outstanding shares

3y (2013-2015)	-0,18%
5y (2011-2015)	-0,33%
10y (2006-2015)	1,86%

Earnings power valuation

LTME	8,24	
3yE (2013-2015)	15,62	
5yE (2011-2015)	18,34	
10yE (2006-2015)	15,51	
	<i>Return</i>	
P/LTME	12,33	8,11%
P/3yE (2013-2015)	6,50	15,38%
P/5yE (2011-2015)	5,54	18,06%
P/10yE (2006-2015)	6,55	15,27%

<i>Valuation</i>	<i>Upside</i>
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LTMEPV	82,40	-19%
3yEPV (2013-2015)	156,25	54%
5yEPV (2011-2015)	183,43	81%
10yEPV (2006-2015)	155,08	53%

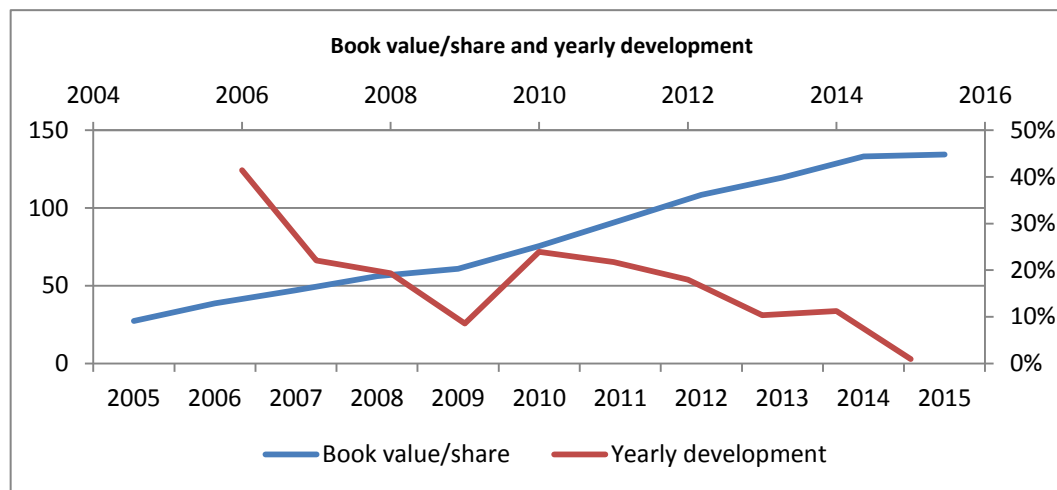
Profitability

LTM ROE	6,13%
3y avg ROE (2013-2015)	12,23%
5y avg ROE (2011-2015)	16,37%
10y avg ROE (2006-2015)	19,57%

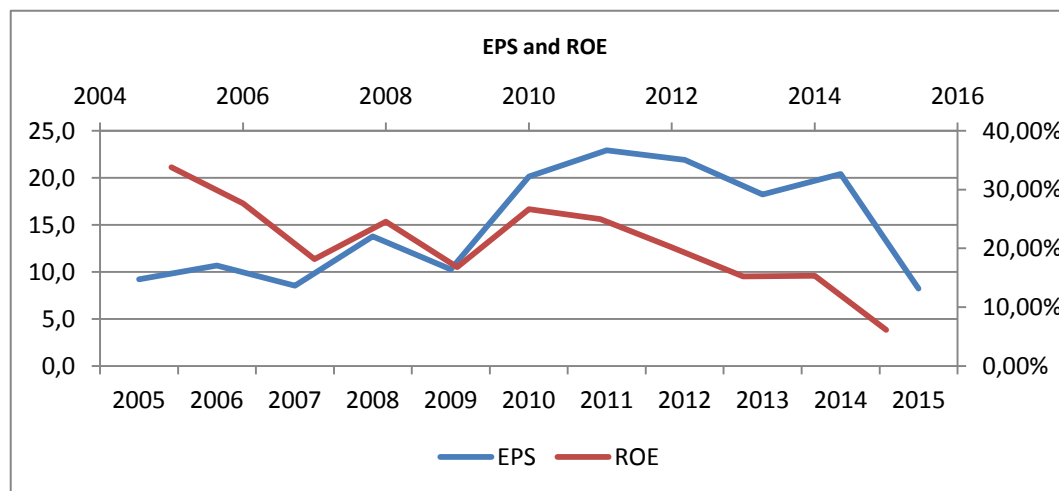
Current dividend yield	7,24%
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Return on incremental equity

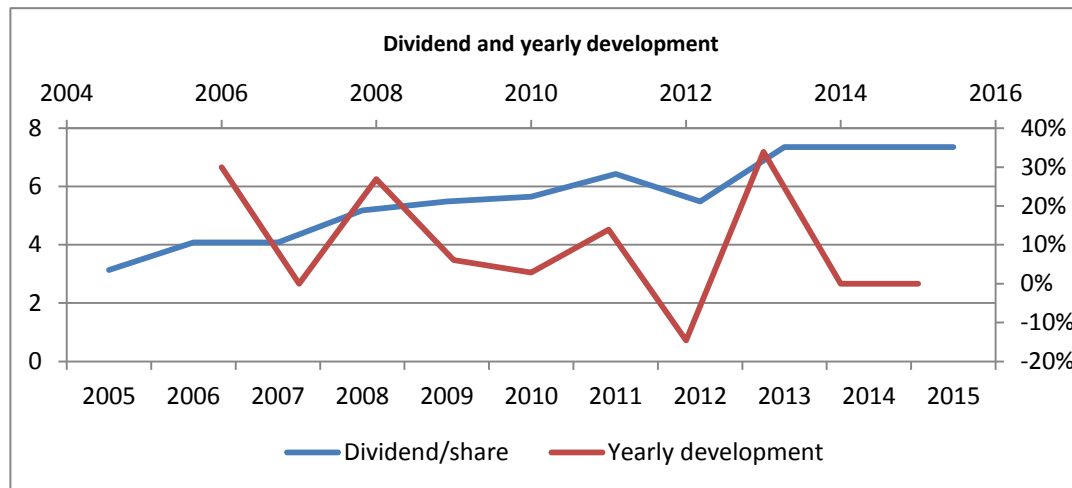
3y (2013-2015)	-67,86%
5y (2011-2015)	-34,64%
10y (2006-2015)	-2,53%



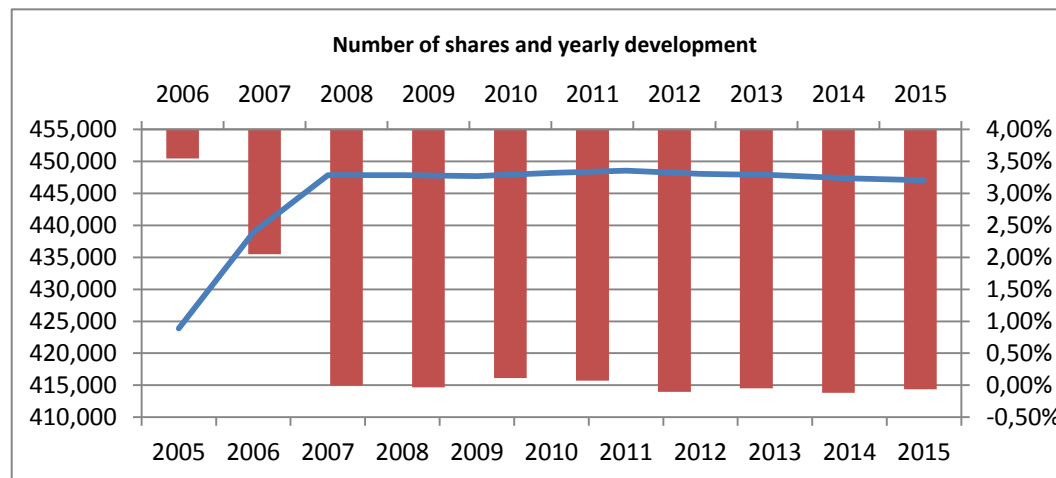
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
27,24	38,54	47,05	56,13	60,94	75,52	91,93	108,45	119,66	133,12	134,38
	41,47%	22,08%	19,30%	8,58%	23,91%	21,74%	17,97%	10,33%	11,25%	0,95%



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
9,22	10,66	8,55	13,77	10,25	20,13	22,95	21,90	18,23	20,40	8,24
33,83%	27,67%	18,17%	24,54%	16,82%	26,65%	24,96%	20,19%	15,24%	15,33%	6,13%



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
3,14	4,08	4,08	5,18	5,49	5,65	6,43	5,49	7,35	7,35	7,35
	30,00%	0,00%	26,92%	6,06%	2,86%	13,89%	-14,63%	33,90%	0,00%	0,00%



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
423,861	438,881	447,874	447,861	447,717	448,212	448,536	448,080	447,871	447,348	447,065
	3,54%	2,05%	0,00%	-0,03%	0,11%	0,07%	-0,10%	-0,05%	-0,12%	-0,06%

Comments

Cnooc LTD (CEO) has been compounding its book at an unbelievable rate of 17,3% on average per year during the last 10 years.

Include last years dividend and you get 24,54% as a total annual return.

What is the value of the business?**Asset value:**

With an annual book value growth at 17%, an annual investor requirement at 10%, and a current price to tangible book at 0,79, the remaining upside is 211% motivating a share price of 316 USD/share.

Earnings power value:

5yEPV upside of 81%.

10yEPV upside of 53%.

Disclosure: The author had a long position when this post/analysis was written.

Exchange rates used in calculations

1 Renminbi (RMB) in USD	0,156873
1 Hong Kong Dollar (HKD) in USD	0,128980