

ModernGraham Valuation

Company Name:

Halliburton Company

Company Ticker HAL

Date of Analysis

1/28/2017



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	\$50,889,480,786	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.90	Pass
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	-297.03%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-23.22	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.34	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	2.90	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.60	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$2.51
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$36.35
MG Value based on 0% Growth	-\$21.31
Market Implied Growth Rate	-15.86%

MG Opinion

Current Price	\$58.21
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$6.90
Graham Number	\$0.00
PEmg	-23.22
Current Ratio	2.90
PB Ratio	5.34
Current Dividend	\$0.72
Dividend Yield	1.24%
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	-3.81	Next Fiscal Year Estimate	-2.51
Dec2016	-\$6.69	Dec2016	-\$1.11
Dec2015	-\$0.79	Dec2015	\$1.89
Dec2014	\$4.11	Dec2014	\$3.11
Dec2013	\$2.36	Dec2013	\$2.51
Dec2012	\$2.84	Dec2012	\$2.50
Dec2011	\$3.08	Dec2011	\$2.39
Dec2010	\$2.01	Dec2010	\$2.14
Dec2009	\$1.27	Dec2009	\$2.26
Dec2008	\$2.45	Dec2008	\$2.47
Dec2007	\$3.68	Dec2007	\$2.06
Dec2006	\$2.23	Dec2006	\$0.92
Dec2005	\$2.27	Dec2005	\$0.18
Dec2004	-\$1.11	Dec2004	-\$0.69
Dec2003	-\$0.94	Dec2003	-\$0.33
Dec2002	-\$1.16	Dec2002	\$0.04
Dec2001	\$0.94	Dec2001	\$0.62
Dec2000	\$0.56	Balance Sheet Information 12/1/2016	
Dec1999	\$0.50	Total Current Assets	\$11,677,000,000
Dec1998	-\$0.02	Total Current Liabilities	\$4,023,000,000
Dec1997	\$0.89	Long-Term Debt	\$12,214,000,000
		Total Assets	\$27,005,000,000
		Intangible Assets	\$2,414,000,000
		Total Liabilities	\$17,621,000,000
		Shares Outstanding (Diluted Average)	861,000,000





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

- [Halliburton Company Analysis – September 2015 Update \\$HAL](#)
- [Halliburton Company Analysis – June 2015 Update \\$HAL](#)
- [A Glimpse at the Oil & Gas Industry – May 2015](#)
- [23 Companies in the Spotlight This Week – 3/9/15](#)
- [Halliburton Company Quarterly Valuation – March 2015 \\$HAL](#)

Other ModernGraham posts about related companies

- [SM Energy Co Valuation – Initial Coverage \\$SM](#)
- [Kinder Morgan Inc Valuation – January 2017 \\$KMI](#)
- [South Jersey Industries Inc Valuation – Initial Coverage \\$SJI](#)
- [Secure Energy Services Inc Valuation – Initial Coverage \\$TSE:SES](#)
- [Surge Energy Inc Valuation – Initial Coverage \\$TSE:SGY](#)
- [Range Resources Corp Valuation – January 2017 \\$RRC](#)
- [Seacor Holdings Inc Valuation – Initial Coverage \\$CKH](#)
- [Inter Pipeline Ltd Valuation – Initial Coverage \\$TSE:IPL](#)
- [CIRCOR International Inc Valuation – Initial Coverage \\$CIR](#)
- [National-Oilwell Varco Valuation – December 2016 \\$NOV](#)