

ModernGraham Valuation

Company Name:

Company Ticker HP

Date of Analysis

Helmerich & Payne,
Inc.

8/16/2015



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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
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	Pass
6. Moderate PEmg Ratio	PEmg < 20	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	4.77
MG Growth Estimate	7.08%
MG Value	\$108.12
MG Value based on 3% Growth	\$69.19
MG Value based on 0% Growth	\$40.56
Market Implied Growth Rate	1.85%

MG Opinion

Current Price	\$58.26
% of Intrinsic Value	53.88%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$7.49
PEmg	12.21
Current Ratio	4.33
PB Ratio	1.26
Dividend Yield	4.72%
Number of Consecutive Years of Dividend Growth	20

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	\$2.14	Next Fiscal Year Estimate	\$4.77
Sep14	\$6.46	Sep14	\$5.66
Sep13	\$6.79	Sep13	\$4.90
Sep12	\$5.34	Sep12	\$3.86
Sep11	\$3.99	Sep11	\$3.24
Sep10	\$1.45	Sep10	\$2.99
Sep09	\$3.31	Sep09	\$3.57
Sep08	\$4.34	Sep08	\$3.31
Sep07	\$4.27	Sep07	\$2.43
Sep06	\$2.77	Sep06	\$1.32
Sep05	\$1.23	Sep05	\$0.58
Sep04	\$0.05	Sep04	\$0.33
Sep03	\$0.18	Sep03	\$0.50
Sep02	\$0.53	Sep02	\$0.68
Sep01	\$0.79	Sep01	\$0.76
Sep00	\$0.82	Sep00	\$0.75
Sep99	\$0.43	Sep99	\$0.68
Sep98	\$1.00	Balance Sheet Information Jun15	
Sep97	\$0.84	Total Current Assets	\$1,501,691,000
Sep96	\$0.73	Total Current Liabilities	\$346,503,000
Sep95	\$0.10	Long-Term Debt	\$532,388,000
		Total Assets	\$7,335,817,000
		Intangible Assets	\$0
		Total Liabilities	\$2,314,308,000
		Outstanding Shares	108,469,000



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:

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ModernGraham
posts about the
company**

[10 Most Undervalued Companies for the Defensive Investor – August 2015](#)

[10 Companies Benjamin Graham Would Invest In Today – August 2015](#)

[5 Low PE Stocks for the Defensive Investor – July 2015](#)

[5 Undervalued Companies for Defensive Investors With High Dividend Yields – July 2015](#)

[5 Undervalued Companies for Defensive Investors With High Dividend Yields – June 2015](#)

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[Western Refining Inc. Analysis – Initial Coverage \\$WNR](#)

[WPX Energy Inc. Analysis – 2015 Update \\$WPX](#)

[Marathon Petroleum Corporation Analysis – 2015 Update \\$MPC](#)

[Valero Energy Corporation Analysis – July 2015 Update \\$VLO](#)

[National Oilwell Varco Analysis – July 2015 Update \\$NOV](#)

[Magellan Midstream Partners LP Analysis – Initial Coverage \\$MMP](#)

[Schlumberger Limited Analysis – July 2015 Update \\$SLB](#)

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