

# ModernGraham Valuation

## Company Name:

Company Ticker HP  
Date of Analysis

Helmerich & Payne,  
Inc.

11/27/2015



## 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	\$6,189,244,633	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.10	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	-10.71%	Fail
6. Moderate PEmg Ratio	PEmg < 20	15.57	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.27	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	4.10	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.45	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		Fail

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.69
MG Growth Estimate	-0.68%
<b>MG Value</b>	<b>\$26.35</b>
MG Value based on 3% Growth	\$53.50
MG Value based on 0% Growth	\$31.36
Market Implied Growth Rate	3.53%

### MG Opinion

Current Price	\$57.44
% of Intrinsic Value	217.99%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$7.51
Graham Number	\$17.82
PEmg	15.57
Current Ratio	4.10
PB Ratio	1.27
Dividend Yield	4.79%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.31	Next Fiscal Year Estimate	\$3.69
Sep15	\$3.87	Sep15	\$5.35
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	<b>Balance Sheet Information</b>	<b>Sep15</b>
Sep98	\$1.00	Total Current Assets	\$1,439,007,000
Sep97	\$0.84	Total Current Liabilities	\$351,228,000
Sep96	\$0.73	Long-Term Debt	\$492,443,000
		Total Assets	\$7,152,012,000
		Intangible Assets	\$0
		Total Liabilities	\$2,254,560,000
		Shares Outstanding (Diluted Average)	108,567,000





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

- [Dividend Growth Stocks for the Intelligent Investor – November 2015](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – November 2015](#)
- [10 Companies Benjamin Graham Would Invest In Today – October 2015](#)
- [Dividend Growth Stocks for the Intelligent Investor – October 2015](#)
- [10 Low PE Stocks for the Defensive Investor – October 2015](#)

Other  
ModernGraham  
posts about related  
companies

- [Murphy Oil Corporation Valuation – November 2015 Update \\$MUR](#)
- [Denbury Resources Inc. Valuation – November 2015 Update \\$DNR](#)
- [Western Refining Inc. Valuation – October 2015 Update \\$WNR](#)
- [Valero Energy Corporation Valuation – October 2015 Update \\$VLO](#)
- [Schlumberger Limited Valuation – October 2015 Update \\$SLB](#)
- [National Oilwell Varco Inc. Valuation – October 2015 Update \\$NOV](#)
- [Tesoro Corporation Analysis – October 2015 Update \\$TSO](#)
- [Cameron International Company Analysis – September 2015 Update \\$CAM](#)
- [Halliburton Company Analysis – September 2015 Update \\$HAL](#)
- [Kinder Morgan Inc. Analysis – September 2015 Update \\$KMI](#)