# **ModernGraham Valuation**

### **Company Name:**

Helmerich & Payne, Inc.



1.27 Pass

Company Ticker
Date of Analysis

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.

5. Earnings Growth

6. Moderate PEmg Ratio

7. Moderate Price to Assets

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$6,189,244,633 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.10 Pass
Earnings Stability	Positive EPS for 10 years prior	Pass
Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10	

Increase of 33% in EPS in past 10
years using 3 year averages at
beginning and end -10.71% Fail
PEmg < 20 15.57 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

PB Ratio < 2.5 OR PB\*PEmg < 50

Suitability

Defensive	Yes
Enterprising	Yes

#### Stage 2: Determination of Intrinsic Value

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

MG Opinion

Opinion	Overvalued	
% of Intrinsic Value		217.99%
Current Price		\$57.44

#### 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	20

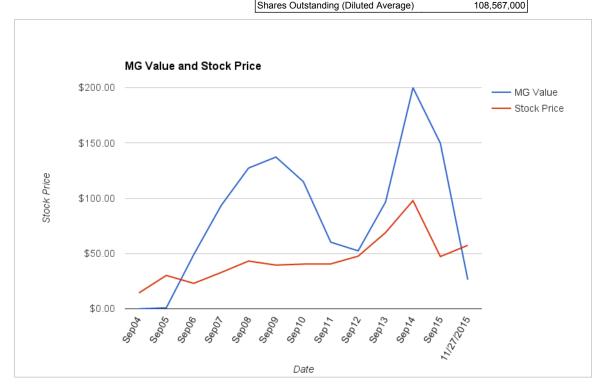
Useful Links: ModernGraham tagged articles Morningstar

 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	•	
Next Fiscal Year Estimate	\$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	Balance Sheet Information	Sep15	
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