

# ModernGraham Valuation

## Company Name:

Company Ticker RHI  
Date of Analysis 11/6/2015

Robert Half  
International Inc.



## 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	\$7,003,151,184	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.08	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	33.86%	Pass
6. Moderate PEmg Ratio	PEmg < 20	24.81	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.95	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	2.08	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.13
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$81.93</b>
MG Value based on 3% Growth	\$30.86
MG Value based on 0% Growth	\$18.09
Market Implied Growth Rate	8.16%

### MG Opinion

Current Price	\$52.80
% of Intrinsic Value	64.45%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$5.09
Graham Number	\$21.20
PEmg	24.81
Current Ratio	2.08
PB Ratio	6.95
Dividend Yield	1.48%
Number of Consecutive Years of Dividend Growth	3

### 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	\$2.67	Next Fiscal Year Estimate	\$2.13
Dec14	\$2.26	Dec14	\$1.71
Dec13	\$1.83	Dec13	\$1.29
Dec12	\$1.50	Dec12	\$1.00
Dec11	\$1.04	Dec11	\$0.84
Dec10	\$0.44	Dec10	\$0.88
Dec09	\$0.24	Dec09	\$1.18
Dec08	\$1.59	Dec08	\$1.58
Dec07	\$1.81	Dec07	\$1.42
Dec06	\$1.65	Dec06	\$1.08
Dec05	\$1.36	Dec05	\$0.72
Dec04	\$0.79	Dec04	\$0.43
Dec03	\$0.04	Dec03	\$0.33
Dec02	\$0.01	Dec02	\$0.53
Dec01	\$0.67	Dec01	\$0.77
Dec00	\$1.00	Dec00	\$0.77
Dec99	\$0.77	Dec99	\$0.60
Dec98	\$0.69	<b>Balance Sheet Information</b> <b>Sep15</b> Total Current Assets \$1,383,372,000 Total Current Liabilities \$664,169,000 Long-Term Debt \$1,046,000 Total Assets \$1,715,272,000 Intangible Assets \$197,992,000 Total Liabilities \$708,796,000 Shares Outstanding (Diluted Average) 132,488,000	
Dec97	\$0.50		
Dec96	\$0.34		
Dec95	\$0.23		





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

[The 8 Best Stocks For Value Investors This Week – 8/8/15](#)  
[Robert Half International Inc. Analysis – August 2015 Update \\$RHI](#)  
[47 Companies in the Spotlight This Week – 5/16/15](#)  
[Robert Half International Quarterly Valuation – May 2015 \\$RHI](#)  
[27 Companies in the Spotlight This Week – 2/14/15](#)

Other  
ModernGraham  
posts about related  
companies

[Alliance Data Systems Corporation Analysis – October 2015 Update \\$ADS](#)  
[Automatic Data Processing Analysis – September 2015 Update \\$ADP](#)  
[Accenture PLC Analysis – September 2015 Update \\$ACN](#)  
[Dun & Bradstreet Corp. Analysis – September 2015 Update \\$DNB](#)  
[Cintas Corporation Analysis – August 2015 Update \\$CTAS](#)  
[Apollo Education Group Inc. Analysis – Initial Coverage \\$APOL](#)  
[Paychex Inc. Analysis – August 2015 Update \\$PAYX](#)  
[Robert Half International Inc. Analysis – August 2015 Update \\$RHI](#)  
[United Rentals Inc. Analysis – Initial Coverage \\$URI](#)  
[Automatic Data Processing Analysis – June 2015 Update \\$ADP](#)