

# ModernGraham Valuation



**Company Name:**

Robert Half  
International Inc.

Company Ticker RHI  
Date of Analysis

8/20/2016

## 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	\$5,127,400,884	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.11	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	109.89%	Pass
6. Moderate PEmg Ratio	PEmg < 20	16.07	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.68	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	2.11	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>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.41
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$92.79</b>
MG Value based on 3% Growth	\$34.95
MG Value based on 0% Growth	\$20.49
Market Implied Growth Rate	3.79%

### MG Opinion

Current Price	\$38.74
% of Intrinsic Value	41.75%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$5.37
Graham Number	\$22.30
PEmg	16.07
Current Ratio	2.11
PB Ratio	4.68
Current Dividend	\$0.84
Dividend Yield	2.17%
Number of Consecutive Years of Dividend Growth	4

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[Google Finance](#) [MSN Money](#)  
[Yahoo Finance](#) [Seeking Alpha](#)  
[GuruFocus](#) [SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.69	Next Fiscal Year Estimate	\$2.41
Dec2015	\$2.69	Dec2015	\$2.13
Dec2014	\$2.26	Dec2014	\$1.71
Dec2013	\$1.83	Dec2013	\$1.29
Dec2012	\$1.50	Dec2012	\$1.00
Dec2011	\$1.04	Dec2011	\$0.84
Dec2010	\$0.44	Dec2010	\$0.88
Dec2009	\$0.24	Dec2009	\$1.18
Dec2008	\$1.59	Dec2008	\$1.58
Dec2007	\$1.81	Dec2007	\$1.42
Dec2006	\$1.65	Dec2006	\$1.08
Dec2005	\$1.36	Dec2005	\$0.72
Dec2004	\$0.79	Dec2004	\$0.43
Dec2003	\$0.04	Dec2003	\$0.33
Dec2002	\$0.01	Dec2002	\$0.53
Dec2001	\$0.67	Dec2001	\$0.77
Dec2000	\$1.00	Dec2000	\$0.77
Dec1999	\$0.77	<b>Balance Sheet Information</b> <b>6/1/2016</b>	
Dec1998	\$0.69	Total Current Assets	\$1,408,112,000
Dec1997	\$0.50	Total Current Liabilities	\$668,179,000
Dec1996	\$0.34	Long-Term Debt	\$925,000
		Total Assets	\$1,783,008,000
		Intangible Assets	\$214,378,000
		Total Liabilities	\$713,500,000
		Shares Outstanding (Diluted Average)	129,329,000





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

- [10 Undervalued Stocks for the Defensive Investor – August 2016](#)
- [5 Companies for Defensive Investors Near 52 Week Lows – Aug 2016](#)
- [10 Most Undervalued Companies for the Defensive Investor – July 2016](#)
- [10 Most Undervalued Companies for the Defensive Investor – May 2016](#)
- [Robert Half International Inc Valuation – February 2016 \\$RHI](#)

Other ModernGraham posts about related companies

- [Accenture PLC Valuation – August 2016 \\$ACN](#)
- [Fiserv Inc Valuation – August 2016 \\$FISV](#)
- [Cintas Corporation Valuation – July 2016 \\$CTAS](#)
- [Pitney Bowes Inc Valuation – July 2016 \\$PBI](#)
- [Xerox Corp Valuation – June 2016 \\$XRX](#)
- [Avery Dennison Corp Valuation – June 2016 \\$AVY](#)
- [Ecolab Inc Valuation – June 2016 \\$ECL](#)
- [Paychex Inc Valuation – June 2016 \\$PAYX](#)
- [Automatic Data Processing Valuation – May 2016 \\$ADP](#)
- [Robert Half International Inc Valuation – February 2016 \\$RHI](#)