

ModernGraham Valuation

Company Name:

Company Ticker RHI

Date of Analysis

2/27/2017

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	\$6,126,568,023	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.89	Fail
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	248.02%	Pass
6. Moderate PEmg Ratio	PEmg < 20	19.03	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.68	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	1.89	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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.52
MG Growth Estimate	14.24%
MG Value	\$93.20
MG Value based on 3% Growth	\$36.54
MG Value based on 0% Growth	\$21.42
Market Implied Growth Rate	5.27%

MG Opinion

Current Price	\$47.96
% of Intrinsic Value	51.46%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.60
Graham Number	\$21.95
PEmg	19.03
Current Ratio	1.89
PB Ratio	5.68
Current Dividend	\$0.88
Dividend Yield	1.83%
Number of Consecutive Years of Dividend Growth	5

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	\$2.54	Next Fiscal Year Estimate	\$2.52
Dec2016	\$2.67	Dec2016	\$2.40
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	Balance Sheet Information 12/1/2016	
Dec1999	\$0.77	Total Current Assets	\$1,284,234,000
Dec1998	\$0.69	Total Current Liabilities	\$679,896,000
Dec1997	\$0.50	Long-Term Debt	\$840,000
		Total Assets	\$1,777,971,000
		Intangible Assets	\$213,464,000
		Total Liabilities	\$691,372,000
		Shares Outstanding (Diluted Average)	128,766,000





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 – December 2016](#)
- [10 Undervalued Stocks for the Defensive Investor – September 2016](#)
- [5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – August 2016](#)
- [21 Best Undervalued Stocks of the Week – 8/27/16](#)
- [Robert Half International Inc Valuation – August 2016 \\$RHI](#)

Other
ModernGraham
posts about related
companies

- [Korn-Ferry International Valuation – Initial Coverage \\$KFY](#)
- [Capella Education Company Valuation – Initial Coverage \\$CPLA](#)
- [Kelly Services Inc Valuation – Initial Coverage \\$KELYA](#)
- [Alliance Data Systems Corp Valuation – February 2017 \\$ADS](#)
- [John Wiley & Sons Inc Valuation – Initial Coverage \\$JW.A](#)
- [Dun & Bradstreet Corp Valuation – January 2017 \\$DNB](#)
- [Apollo Education Group Inc Valuation – January 2017 \\$APOL](#)
- [Accenture PLC Valuation – December 2016 \\$ACN](#)
- [Automatic Data Processing Valuation – November 2016 \\$ADP](#)
- [United Rentals Inc Valuation – August 2016 \\$URI](#)