ModernGraham Valuation

Company Name:

HP Inc

41.02%

-14.32 Fail

Company Ticker HPQ Date of Analysis

2/27/2018

7. Moderate Price to Assets

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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$38,695,774,462 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.91 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
Earnings Growth	beginning and end	-54.29% Fail
6. Moderate PEmg Ratio	PEmg < 20	13.34 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	0.91	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.97	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

PB Ratio < 2.5 OR PB*PEmg < 50

Score

Suitability

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.76
MG Growth Estimate	12.02%
MG Value	\$57.34
MG Value based on 3% Growth	\$25.56
MG Value based on 0% Growth	\$14.98
Market Implied Growth Rate	2.42%
Current Price	\$23.52

% of Intrinsic Value Opinion Undervalued

MG Grade

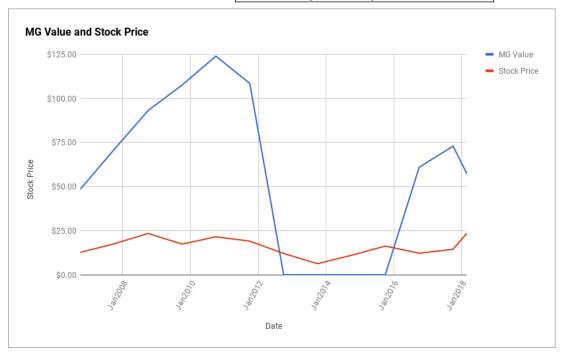
Stage 3: Information for Further Research

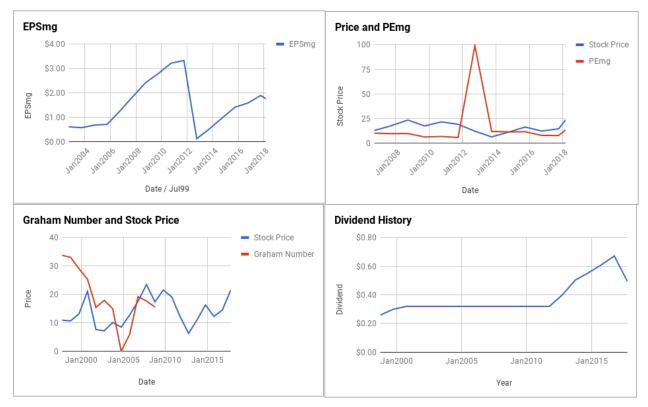
Net Current Asset Value (NCAV)	-\$10.05
Graham Number	\$0.00
PEmg	13.34
Current Ratio	0.91
PB Ratio	-14.32
Current Dividend	\$0.53
Dividend Yield	2.26%
Number of Consecutive Years of Dividend	
Growth	1

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	*****	Next Fiscal Year Estimate	\$1.76
Oct2017	\$1.48	Oct2017	\$1.89
Oct2016	\$1.43	Oct2016	\$1.58
Oct2015	\$2.48	Oct2015	\$1.42
Oct2014	\$2.62	Oct2014	\$0.98
Oct2013	\$2.62	Oct2013	\$0.53
Oct2012	-\$6.41	Oct2012	\$0.12
Oct2011	\$3.32	Oct2011	\$3.33
Oct2010	\$3.69	Oct2010	\$3.22
Oct2009	\$3.14	Oct2009	\$2.79
Oct2008	\$3.25	Oct2008	\$2.42
Oct2007	\$2.68	Oct2007	\$1.85
Oct2006	\$2.18	Oct2006	\$1.26
Oct2005	\$0.82	Oct2005	\$0.71
Oct2004	\$1.15	Oct2004	\$0.68
Oct2003	\$0.83	Oct2003	\$0.57
Oct2002	-\$0.36	Oct2002	\$0.61
Oct2001	\$0.21	Balance Sheet Information	1/1/2018
Oct2000	\$1.80	Total Current Assets	\$21,217,000,000
Oct1999	\$1.67	Total Current Liabilities	\$23,349,000,000
Oct1998	\$1.39	Long-Term Debt	\$6,340,000,000
		Total Assets	\$35,245,000,000
		Intangible Assets	\$5,935,000,000
		Total Liabilities	\$37,987,000,000
		Shares Outstanding (Diluted Average)	1,669,000,000





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 Hewlett-Packard Company (HPQ) Annual Valuation
58 Companies in the Spotlight This Week – 1/31/15
Hewlett-Packard Corporation Annual Valuation – 2015 \$HPQ
14 Companies in the Spotlight This Week – 1/18/14

Other ModernGraham posts about related companies Intel Corp Valuation – February 2018 \$INTC Apple Inc Valuation – February 2018 \$AAPL

<u>Lam Research Corp Valuation – September 2017 \$LRCX</u>

Vicor Corp Valuation - Initial Coverage \$VICR

Emerson Electric Co Valuation – August 2017 \$EMR

General Cable Corporation Valuation – Initial Coverage \$BGC

3D Systems Corp Valuation - Initial Coverage \$DDD

<u>Teradyne Inc Valuation – Initial Coverage \$TER</u>

<u>Diebold Nixdorf Inc Valuation – Initial Coverage \$DBD</u>

<u>Tech Data Corp Valuation – Initial Coverage \$TECD</u>