

ModernGraham Valuation

Company Name:

Company Ticker HP
Date of Analysis

Helmerich & Payne,
Inc.

3/14/2018



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	\$7,033,884,725	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.28	Pass
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 beginning and end	-124.91%	Fail
5. Earnings Growth	PEmg < 20	175.57	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.54	Pass
7. Moderate Price to Assets			

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	3.28	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.61	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.37
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$5.34
MG Value based on 0% Growth	\$3.13
Market Implied Growth Rate	83.54%

MG Opinion

Current Price	\$64.61
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$5.55
Graham Number	\$0.00
PEmg	175.57
Current Ratio	3.28
PB Ratio	1.54
Current Dividend	\$2.80
Dividend Yield	4.33%
Number of Consecutive Years of Dividend Growth	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	-\$0.44	Next Fiscal Year Estimate	\$0.37
Sep2017	-\$1.20	Sep2017	\$1.54
Sep2016	-\$0.54	Sep2016	\$3.40
Sep2015	\$3.85	Sep2015	\$5.34
Sep2014	\$6.44	Sep2014	\$5.65
Sep2013	\$6.79	Sep2013	\$4.90
Sep2012	\$5.34	Sep2012	\$3.86
Sep2011	\$3.99	Sep2011	\$3.24
Sep2010	\$1.45	Sep2010	\$2.99
Sep2009	\$3.31	Sep2009	\$3.57
Sep2008	\$4.34	Sep2008	\$3.31
Sep2007	\$4.27	Sep2007	\$2.43
Sep2006	\$2.77	Sep2006	\$1.32
Sep2005	\$1.23	Sep2005	\$0.58
Sep2004	\$0.05	Sep2004	\$0.33
Sep2003	\$0.18	Sep2003	\$0.50
Sep2002	\$0.53	Sep2002	\$0.68
Sep2001	\$0.79	Balance Sheet Information 12/1/2017	
Sep2000	\$0.82	Total Current Assets	\$1,166,346,000
Sep1999	\$0.43	Total Current Liabilities	\$355,762,000
Sep1998	\$1.00	Long-Term Debt	\$493,168,000
		Total Assets	\$6,362,096,000
		Intangible Assets	\$147,983,000
		Total Liabilities	\$1,771,746,000
		Shares Outstanding (Diluted Average)	109,095,000





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:

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company

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[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](#)
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[Seven Generations Energy Ltd Valuation – Initial Coverage \\$TSE:VII](#)
[Pioneer Natural Resources Valuation – September 2017 \\$PXD](#)
[Gulfport Energy Corp Valuation – Initial Coverage \\$GPOR](#)
[Schlumberger Limited Valuation – July 2017 \\$SLB](#)
[Tesco Corporation \(USA\) Valuation – Initial Coverage \\$TESO](#)
[Southwestern Energy Company Valuation – July 2017 \\$SWN](#)
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