

ModernGraham Valuation

Company Name:

Company Ticker RHI
Date of Analysis

Robert Half
International Inc.

6/2/2018



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	\$7,924,066,633	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.92	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	378.49%	Pass
5. Earnings Growth	PEmg < 20	23.39	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.07	Fail
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	1.92	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.74
MG Growth Estimate	9.06%
MG Value	\$72.95
MG Value based on 3% Growth	\$39.75
MG Value based on 0% Growth	\$23.30
Market Implied Growth Rate	7.45%

MG Opinion

Current Price	\$64.13
% of Intrinsic Value	87.91%
Opinion	Fairly Valued
MG Grade	C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$5.61
Graham Number	\$25.43
PEmg	23.39
Current Ratio	1.92
PB Ratio	7.07
Current Dividend	\$0.96
Dividend Yield	1.50%
Number of Consecutive Years of Dividend Growth	14

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.23	Next Fiscal Year Estimate	\$2.74
Dec2017	\$2.33	Dec2017	\$2.45
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	Balance Sheet Information 3/1/2018	
Dec2000	\$1.00	Total Current Assets	\$1,468,456,000
Dec1999	\$0.77	Total Current Liabilities	\$764,440,000
Dec1998	\$0.69	Long-Term Debt	\$608,000
		Total Assets	\$1,893,860,000
		Intangible Assets	\$215,385,000
		Total Liabilities	\$779,063,000
		Shares Outstanding (Diluted Average)	122,887,000





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.

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