

# ModernGraham Valuation

Company Name:

FLIR Systems, Inc.

Company Ticker

FLIR

Date of Analysis

8/14/2015



## 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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Earnings Growth	PEmg < 20	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	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>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	1.43
MG Growth Estimate	0.42%
<b>MG Value</b>	<b>\$13.37</b>
MG Value based on 3% Growth	\$20.74
MG Value based on 0% Growth	\$12.16
Market Implied Growth Rate	6.42%

### MG Opinion

Current Price	\$30.52
% of Intrinsic Value	228.30%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.46
PEmg	21.34
Current Ratio	4.42
PB Ratio	2.64
Dividend Yield	1.38%
Number of Consecutive Years of Dividend Growth	5

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.59	Next Fiscal Year Estimate	\$1.43
Dec14	\$1.39	Dec14	\$1.37
Dec13	\$1.22	Dec13	\$1.37
Dec12	\$1.45	Dec12	\$1.44
Dec11	\$1.38	Dec11	\$1.39
Dec10	\$1.54	Dec10	\$1.32
Dec09	\$1.45	Dec09	\$1.13
Dec08	\$1.28	Dec08	\$0.90
Dec07	\$0.89	Dec07	\$0.67
Dec06	\$0.66	Dec06	\$0.52
Dec05	\$0.58	Dec05	\$0.43
Dec04	\$0.46	Dec04	\$0.30
Dec03	\$0.29	Dec03	\$0.15
Dec02	\$0.29	Dec02	\$0.04
Dec01	\$0.20	Dec01	-\$0.11
Dec00	-\$0.23	Dec00	-\$0.25
Dec99	-\$0.48	Dec99	-\$0.22
Dec98	\$0.03	<b>Balance Sheet Information Jun15</b>	
Dec97	-\$0.46	Total Current Assets	\$1,372,923,000
Dec96	\$0.11	Total Current Liabilities	\$310,307,000
Dec95	\$0.09	Long-Term Debt	\$350,715,000
		Total Assets	\$2,379,716,000
		Intangible Assets	\$666,845,000
		Total Liabilities	\$741,241,000
		Outstanding Shares	141,491,000



**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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