

ModernGraham Valuation

Company Name:

Company Ticker FCX

Date of Analysis

9/14/2015

Freeport-McMoRan
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	\$11,910,611,604	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.84	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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		
5. Earnings Growth		-63.57%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-24.33	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.86	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	1.84	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.08	Fail
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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.47
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$6.82
MG Value based on 0% Growth	-\$4.00
Market Implied Growth Rate	-16.41%

MG Opinion

Current Price	\$11.45
% of Intrinsic Value	N/A
Opinion	Overvalued

Stage 3: Information for Further Research

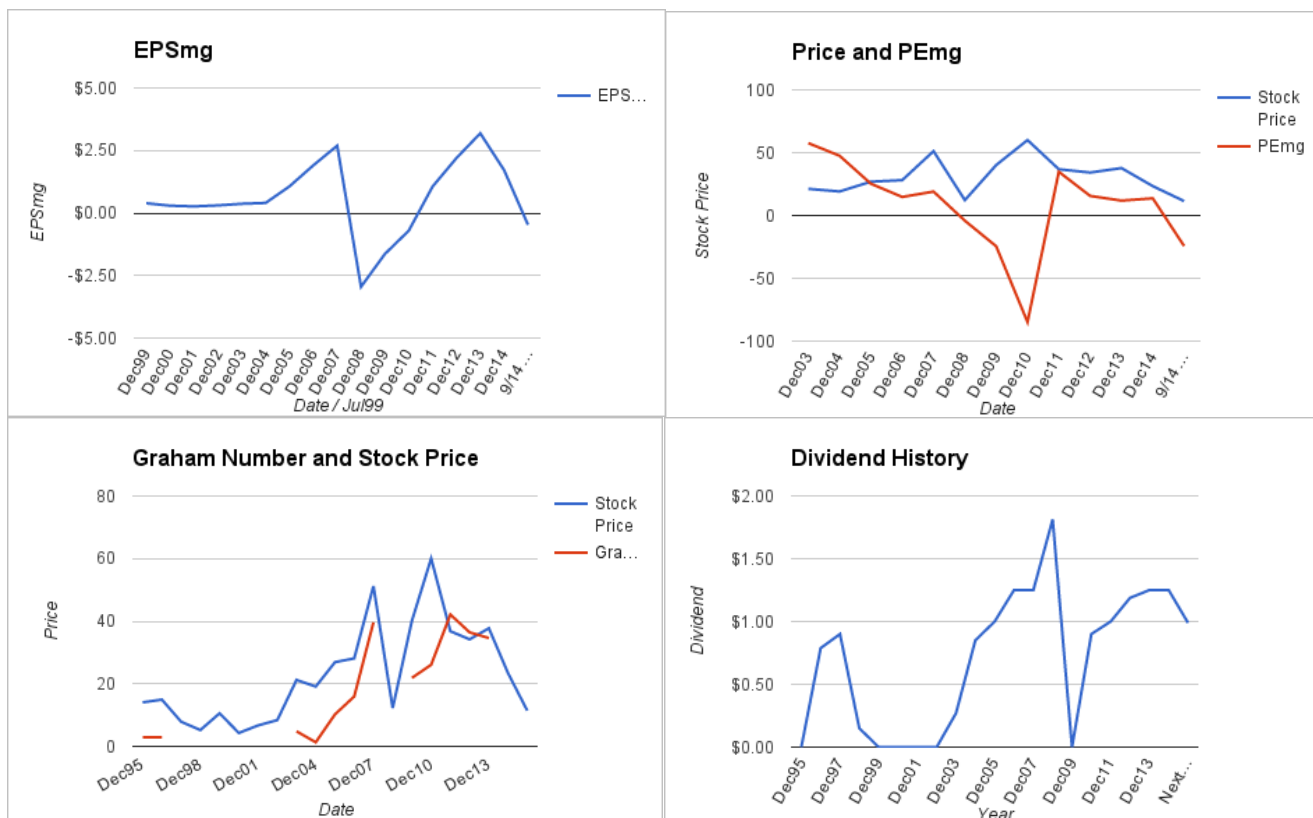
Net Current Asset Value (NCAV)	-\$30.29
Graham Number	#NUM!
PEmg	-24.33
Current Ratio	1.84
PB Ratio	0.86
Dividend Yield	8.64%
Number of Consecutive Years of Dividend Growth	0

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	-\$4.22	Next Fiscal Year Estimate	-\$0.47
Dec14	-\$1.26	Dec14	\$1.71
Dec13	\$2.64	Dec13	\$3.19
Dec12	\$3.19	Dec12	\$2.20
Dec11	\$4.78	Dec11	\$1.06
Dec10	\$2.29	Dec10	-\$0.71
Dec09	\$2.93	Dec09	-\$1.64
Dec08	-\$14.86	Dec08	-\$2.95
Dec07	\$3.75	Dec07	\$2.69
Dec06	\$3.32	Dec06	\$1.91
Dec05	\$2.34	Dec05	\$1.06
Dec04	\$0.43	Dec04	\$0.40
Dec03	\$0.49	Dec03	\$0.37
Dec02	\$0.44	Dec02	\$0.30
Dec01	\$0.27	Dec01	\$0.26
Dec00	\$0.13	Dec00	\$0.29
Dec99	\$0.31	Dec99	\$0.39
Dec98	\$0.34	Balance Sheet Information Jun15	
Dec97	\$0.53	Total Current Assets	\$8,697,000,000
Dec96	\$0.45	Total Current Liabilities	\$4,739,000,000
Dec95	\$0.49	Long-Term Debt	\$20,111,000,000
		Total Assets	\$54,008,000,000
		Intangible Assets	\$0
		Total Liabilities	\$40,203,000,000
		Shares Outstanding (Diluted Average)	1,040,000,000





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:

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ModernGraham
posts about the
company

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[FreePort-McMoRan Inc. Annual Stock Valuation – September 2014 \\$FCX](#)

[5 Undervalued Companies with a High Beta – September 2014](#)

[5 Companies to Research with the Lowest PEmg Ratio for the Enterprising Investor – August 2014](#)

[5 Highest Dividend Yielding Companies to Research for the Enterprising Investor – August 2014](#)

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[Goldcorp Inc. Analysis – Initial Coverage \\$GG](#)

[Silver Wheaton Corporation Valuation – Initial Coverage \\$SLW](#)

[Newmont Mining Corporation Annual Valuation – 2015 \\$NEM](#)

[Alcoa Inc. Annual Valuation – 2015 \\$AA](#)

[Consol Energy Inc. Annual Valuation – 2014 \\$CNX](#)

[Peabody Energy Corporation Annual Stock Valuation – 2014 \\$BTU](#)

[FreePort-McMoRan Inc. Annual Stock Valuation – September 2014 \\$FCX](#)

[Freeport-McMoRan Copper & Gold Quarterly Valuation – June 2014 \\$FCX](#)

[Joy Global Inc. \(JOY\) Quarterly Valuation – April 2014](#)