ModernGraham Valuation

Company Name:

Fluor Corporation (NEW)



Company Ticker
Date of Analysis

10/16/2015

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.

5. Earnings Growth

FLR

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$6,500,547,921 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.90 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	

Increase of 33% in EPS in past 10
years using 3 year averages at
beginning and end

10.62% Fail

6. Moderate PEmg Ratio PEmg < 20 15.42 Pass
7. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 2.13 Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.90 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.40 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	Fail

Suitability

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.91
MG Growth Estimate	-1.07%
MG Value	\$18.47
MG Value based on 3% Growth	\$42.15
MG Value based on 0% Growth	\$24.71
Market Implied Growth Rate	3.46%

MG Opinion

Current Price \$44.83 % of Intrinsic Value 242.75%

Opinion Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$5.13
Graham Number	\$30.75
PEmg	15.42
Current Ratio	1.90
PB Ratio	2.13
Dividend Yield	1.87%
Number of Consecutive Years of Dividend Growth	2

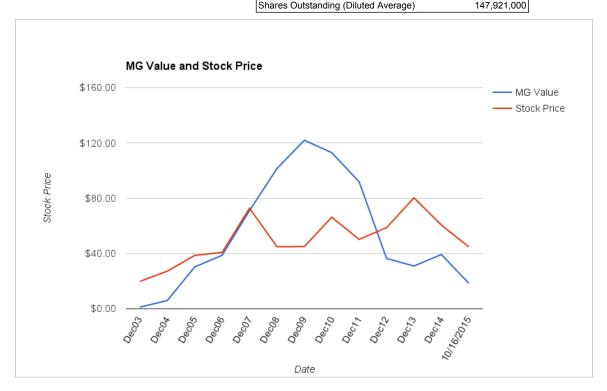
Useful Links: ModernGraham tagged articles Morningstar

 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History		
Next Fiscal Year Estimate	\$1.96	Next Fiscal Year Estimate		\$2.91
Dec14	\$3.20	Dec14		\$3.28
Dec13	\$4.06	Dec13		\$3.27
Dec12	\$2.71	Dec12		\$2.97
Dec11	\$3.40	Dec11		\$3.13
Dec10	\$1.98	Dec10		\$2.94
Dec09	\$3.75	Dec09		\$3.17
Dec08	\$3.93	Dec08		\$2.64
Dec07	\$2.93	Dec07		\$1.85
Dec06	\$1.48	Dec06		\$1.26
Dec05	\$1.31	Dec05		\$1.08
Dec04	\$1.13	Dec04		\$0.91
Dec03	\$0.98	Dec03		\$0.78
Dec02	\$1.03	Dec02		\$0.73
Dec01	\$0.13	Dec01		\$0.65
Oct00	\$0.81	Oct00		\$0.97
Oct99	\$0.69	Oct99		\$1.01
Oct98	\$1.49	Balance Sheet Information	Jun15	
Oct97	\$0.88	Total Current Assets		\$5,202,717,000
Oct96	\$1.61	Total Current Liabilities		\$2,742,549,000
Oct95	\$0.00	Long-Term Debt		\$992,460,000
		Total Assets		\$7,560,373,000
		Intangible Assets		\$0
		Total Liabilities		\$4,443,768,000
		Shares Outstanding (Diluted Average)		147,921,000





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

The Best Companies of the Construction Industry – October 2015 The 20 Best Stocks For Value Investors This Week - 7/25/15 Fluor Corporation Analysis – July 2015 Update \$FLR 21 Companies in the Spotlight This Week – 5/9/15

Fluor Corporation Quarterly Valuation - May 2015

Other ModernGraham posts about related companies

Jacobs Engineering Group Analysis - October 2015 Update \$JEC

D.R. Horton Inc. Analysis – October 2015 Update \$DHI

The Best Companies of the Construction Industry – October 2015

Mohawk Industries Inc. Analysis - October 2015 Update \$MHK

PulteGroup Inc. Analysis – October 2015 Update \$PHM

Masco Corporation Analysis - September 2015 Update \$MAS

Flowserve Corporation Analysis – August 2015 Update \$FLS

Alexander & Baldwin Inc Analysis – Initial Coverage \$ALEX

Lennar Corporation Analysis – August 2015 Update \$LEN

Aecom Analysis - Initial Coverage \$ACM