

# ModernGraham Valuation

## Company Name:

Company Ticker

FLR

Date of Analysis

10/16/2015

Fluor Corporation  
(NEW)



## 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	\$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
5. Earnings Growth	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.*

1. 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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.91
MG Growth Estimate	-1.07%
<b>MG Value</b>	<b>\$18.47</b>
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%
<b>Opinion</b>	<b>Overvalued</b>

## 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:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

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	<b>Balance Sheet Information</b> <b>Jun15</b>	
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](#)