

ModernGraham Valuation

Company Name:

FLIR Systems, Inc.

Company Ticker FLIR

Date of Analysis

11/13/2015



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	\$3,606,683,420	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.29	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	51.24%	Pass
6. Moderate PEmg Ratio	PEmg < 20	17.92	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.26	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	4.29	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.34	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

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.46
MG Growth Estimate	0.71%
MG Value	\$14.46
MG Value based on 3% Growth	\$21.12
MG Value based on 0% Growth	\$12.38
Market Implied Growth Rate	4.71%

MG Opinion

Current Price	\$26.11
% of Intrinsic Value	180.62%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.39
Graham Number	\$20.87
PEmg	17.92
Current Ratio	4.29
PB Ratio	2.26
Dividend Yield	1.65%
Number of Consecutive Years of Dividend Growth	5

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	\$1.67	Next Fiscal Year Estimate	\$1.46
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	Balance Sheet Information Sep15	
Dec97	-\$0.46	Total Current Assets	\$1,346,200,000
Dec96	\$0.11	Total Current Liabilities	\$313,883,000
Dec95	\$0.09	Long-Term Debt	\$347,080,000
		Total Assets	\$2,354,803,000
		Intangible Assets	\$660,389,000
		Total Liabilities	\$729,945,000
		Shares Outstanding (Diluted Average)	140,525,000





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

- [FLIR Systems Inc. Analysis – August 2015 Update \\$FLIR](#)
- [47 Companies in the Spotlight This Week – 5/16/15](#)
- [FLIR Systems Inc. Quarterly Valuation – May 2015 \\$FLIR](#)
- [58 Companies in the Spotlight This Week – 1/31/15](#)
- [FLIR Systems Inc. Quarterly Valuation – January 2015 \\$FLIR](#)

Other ModernGraham posts about related companies

- [FMC Technologies Inc. Valuation – November 2015 Update \\$FTI](#)
- [Applied Materials Inc Valuation – November 2015 Update \\$AMAT](#)
- [Micron Technology Inc. Valuation – November 2015 Update \\$MU](#)
- [Xilinx Inc. Valuation – November 2015 Update \\$XLNX](#)
- [Ametek Inc. Valuation – November 2015 Update \\$AME](#)
- [Skyworks Solutions Inc. Valuation – October 2015 Update \\$SWKS](#)
- [Agilent Technologies Inc. Valuation – October 2015 Update \\$A](#)
- [Western Digital Corporation Valuation – October 2015 Update \\$WDC](#)
- [MTS Systems Corporation Valuation – October 2015 Update \\$MTSC](#)
- [Linear Technology Corp Valuation – October 2015 Update \\$LLTC](#)