

ModernGraham Valuation

Company Name:

Company Ticker

FLR

Date of Analysis

2/3/2016

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	\$6,256,352,345	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.83	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	34.61%	Pass
6. Moderate PEmg Ratio	PEmg < 20	12.06	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.06	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	1.83	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.42	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	\$3.57
MG Growth Estimate	2.12%
MG Value	\$45.53
MG Value based on 3% Growth	\$51.81
MG Value based on 0% Growth	\$30.37
Market Implied Growth Rate	1.78%

MG Opinion

Current Price	\$43.09
% of Intrinsic Value	94.64%
Opinion	Fairly Valued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.74
Graham Number	\$43.80
PEmg	12.06
Current Ratio	1.83
PB Ratio	2.06
Dividend Yield	1.95%
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	\$3.96	Next Fiscal Year Estimate	\$3.57
Dec2014	\$3.20	Dec2014	\$3.28
Dec2013	\$4.06	Dec2013	\$3.27
Dec2012	\$2.71	Dec2012	\$2.97
Dec2011	\$3.40	Dec2011	\$3.13
Dec2010	\$1.98	Dec2010	\$2.94
Dec2009	\$3.75	Dec2009	\$3.17
Dec2008	\$3.93	Dec2008	\$2.64
Dec2007	\$2.93	Dec2007	\$1.85
Dec2006	\$1.48	Dec2006	\$1.26
Dec2005	\$1.31	Dec2005	\$1.08
Dec2004	\$1.13	Dec2004	\$0.91
Dec2003	\$0.98	Dec2003	\$0.78
Dec2002	\$1.03	Dec2002	\$0.73
Dec2001	\$0.13	Dec2001	\$0.65
Oct2000	\$0.81	Oct2000	\$0.97
Oct1999	\$0.69	Oct1999	\$1.01
Oct1998	\$1.49	<div><div>Balance Sheet Information</div><div>Sep2015</div></div>	
Oct1997	\$0.88	Total Current Assets	\$5,229,758,000
Oct1996	\$1.61	Total Current Liabilities	\$2,861,801,000
Dec1995	\$0.00	Long-Term Debt	\$992,689,000
		Total Assets	\$7,599,361,000
		Intangible Assets	\$0
		Total Liabilities	\$4,537,021,000
		Shares Outstanding (Diluted Average)	146,085,000





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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