

ModernGraham Valuation

Company Name:

FLIR Systems, Inc.

Company Ticker FLIR

Date of Analysis

5/14/2016



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	\$4,125,272,044	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.41	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	30.11%	Fail
6. Moderate PEmg Ratio	PEmg < 20	19.77	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.52	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	2.41	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.12	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.53
MG Growth Estimate	0.95%
MG Value	\$15.91
MG Value based on 3% Growth	\$22.18
MG Value based on 0% Growth	\$13.00
Market Implied Growth Rate	5.63%

MG Opinion

Current Price	\$30.23
% of Intrinsic Value	189.97%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.93
Graham Number	\$20.89
PEmg	19.77
Current Ratio	2.41
PB Ratio	2.52
Current Dividend	\$0.45
Dividend Yield	1.49%
Number of Consecutive Years of Dividend Growth	6

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Google Finance	MSN Money
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.60	Next Fiscal Year Estimate	\$1.53
12/1/2015	\$1.72	12/1/2015	\$1.47
12/1/2014	\$1.39	12/1/2014	\$1.37
12/1/2013	\$1.22	12/1/2013	\$1.37
12/1/2012	\$1.45	12/1/2012	\$1.44
12/1/2011	\$1.38	12/1/2011	\$1.39
12/1/2010	\$1.54	12/1/2010	\$1.32
12/1/2009	\$1.45	12/1/2009	\$1.13
12/1/2008	\$1.28	12/1/2008	\$0.90
12/1/2007	\$0.89	12/1/2007	\$0.67
12/1/2006	\$0.66	12/1/2006	\$0.53
12/1/2005	\$0.58	12/1/2005	\$0.43
12/1/2004	\$0.47	12/1/2004	\$0.31
12/1/2003	\$0.32	12/1/2003	\$0.16
12/1/2002	\$0.29	12/1/2002	\$0.05
12/1/2001	\$0.20	12/1/2001	-\$0.11
12/1/2000	-\$0.23	12/1/2000	-\$0.25
12/1/1999	-\$0.48	Balance Sheet Information	
12/1/1998	\$0.18	Total Current Assets	\$1,290,230,000
12/1/1997	-\$0.65	Total Current Liabilities	\$535,149,000
12/1/1996	\$0.11	Long-term Debt	\$90,000,000
		Total Assets	\$2,413,209,000
		Intangible Assets	\$739,886,000
		Total Liabilities	\$745,180,000
		Shares Outstanding (Diluted Average)	138,779,000





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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