

ModernGraham Valuation

Company Name:

Aecom

Company Ticker ACM

Date of Analysis

12/5/2016



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	\$5,787,627,687	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.13	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-54.14%	Fail
5. Earnings Growth	PEmg < 20	27.48	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.73	Pass
7. Moderate Price to Assets			

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	1.13	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.40	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.36
MG Growth Estimate	-1.41%
MG Value	\$7.70
MG Value based on 3% Growth	\$19.69
MG Value based on 0% Growth	\$11.54
Market Implied Growth Rate	9.49%

MG Opinion

Current Price	\$37.32
% of Intrinsic Value	484.51%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

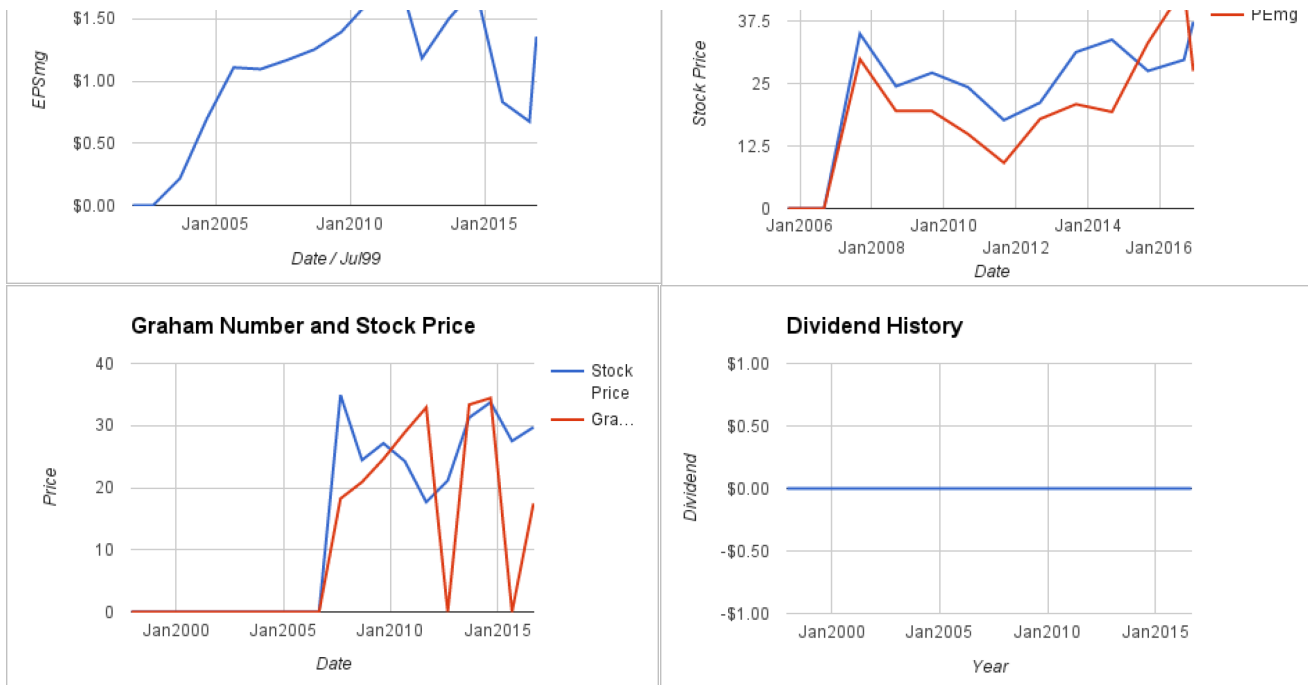
Net Current Asset Value (NCAV)	-\$27.93
Graham Number	\$37.12
PEmg	27.48
Current Ratio	1.13
PB Ratio	1.73
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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		Next Fiscal Year Estimate	
Sep2016	\$0.62	Sep2016	\$0.67
Sep2015	-\$1.04	Sep2015	\$0.83
Sep2014	\$2.33	Sep2014	\$1.75
Sep2013	\$2.35	Sep2013	\$1.50
Sep2012	-\$0.52	Sep2012	\$1.18
Sep2011	\$2.33	Sep2011	\$1.93
Sep2010	\$2.05	Sep2010	\$1.63
Sep2009	\$1.73	Sep2009	\$1.39
Sep2008	\$1.41	Sep2008	\$1.25
Sep2007	\$1.15	Sep2007	\$1.17
Sep2006	\$0.74	Sep2006	\$1.10
Sep2005	\$1.68	Sep2005	\$1.11
Sep2004	\$1.57	Sep2004	\$0.70
Sep2003	\$0.65	Sep2003	\$0.22
Sep2002	\$0.00	Sep2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information 9/1/2016	
Dec1999	\$0.00	Total Current Assets	\$6,000,771,000
Dec1998	\$0.00	Total Current Liabilities	\$5,304,756,000
Dec1997	\$0.00	Long-Term Debt	\$3,758,966,000
		Total Assets	\$13,726,745,000
		Intangible Assets	\$6,303,282,000
		Total Liabilities	\$10,359,824,000
		Shares Outstanding (Diluted Average)	156,073,000





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

[5 Speculative and Overvalued Companies to Avoid – August 2015](#)
[Aecom Analysis – Initial Coverage \\$ACM](#)

Other
ModernGraham
posts about related
companies

[Quanta Services Inc Valuation – August 2016 \\$PWR](#)
[Jacobs Engineering Group Inc Valuation – August 2016 \\$JEC](#)
[PPG Industries Inc Valuation – August 2016 \\$PPG](#)
[D.R. Horton Inc Valuation – August 2016 \\$DHI](#)
[Martin Marietta Materials Inc Valuation – August 2016 \\$MLM](#)
[Fluor Corporation Valuation – August 2016 \\$FLR](#)
[Vulcan Materials Co Valuation – July 2016 \\$VMC](#)
[PulteGroup Inc Valuation – July 2016 \\$PHM](#)
[Sherwin-Williams Co Valuation – July 2016 \\$SHW](#)
[Cummins Inc Valuation – July 2016 \\$CMI](#)