

# ModernGraham Valuation

Company Name:

KBR, Inc.

Company Ticker

KBR

Date of Analysis

2/5/2017



## 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	\$2,371,158,919	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.15	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	-226.64%	Fail
5. Earnings Growth	PEmg < 20	-14.87	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.13	Fail
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	1.15	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.88	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$1.12
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$16.25
MG Value based on 0% Growth	-\$9.53
Market Implied Growth Rate	-11.68%

### MG Opinion

Current Price	\$16.66
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.44
Graham Number	\$7.49
PEmg	-14.87
Current Ratio	1.15
PB Ratio	2.13
Current Dividend	\$0.32
Dividend Yield	1.92%
Number of Consecutive Years of Dividend Growth	0

### 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		Next Fiscal Year Estimate	
	\$0.32		-\$1.12
Dec2015	\$1.40	Dec2015	-\$1.40
Dec2014	-\$8.66	Dec2014	-\$2.00
Dec2013	\$0.50	Dec2013	\$1.45
Dec2012	\$0.97	Dec2012	\$1.95
Dec2011	\$3.16	Dec2011	\$2.34
Dec2010	\$2.07	Dec2010	\$1.87
Dec2009	\$1.79	Dec2009	\$1.74
Dec2008	\$1.90	Dec2008	\$1.44
Dec2007	\$1.79	Dec2007	\$0.91
Dec2006	\$1.20	Dec2006	\$0.25
Dec2005	\$1.76	Dec2005	-\$0.29
Dec2004	-\$2.23	Dec2004	-\$1.14
Dec2003	-\$0.98	Dec2003	-\$0.51
Dec2002	-\$0.68	Dec2002	-\$0.23
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$1,790,000,000
Dec1997	\$0.00	Total Current Liabilities	\$1,550,000,000
Dec1996	\$0.00	Long-Term Debt	\$690,000,000
		Total Assets	\$4,242,000,000
		Intangible Assets	\$1,210,000,000
		Total Liabilities	\$3,131,000,000
		Shares Outstanding (Diluted Average)	142,000,000





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

#N/A

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](#)