

ModernGraham Valuation

Company Name:

Terex Corporation

Company Ticker TEX

Date of Analysis

7/18/2017



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	\$3,726,354,201	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.03	Pass
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	500.00%	Pass
5. Earnings Growth	PEmg < 20	52.14	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.37	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	2.03	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.74	Pass
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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.73
MG Growth Estimate	-4.25%
MG Value	\$1.23
MG Value based on 3% Growth	\$10.61
MG Value based on 0% Growth	\$6.22
Market Implied Growth Rate	21.82%

MG Opinion

Current Price	\$38.17
% of Intrinsic Value	3091.21%
Opinion	Overvalued
MG Grade	F

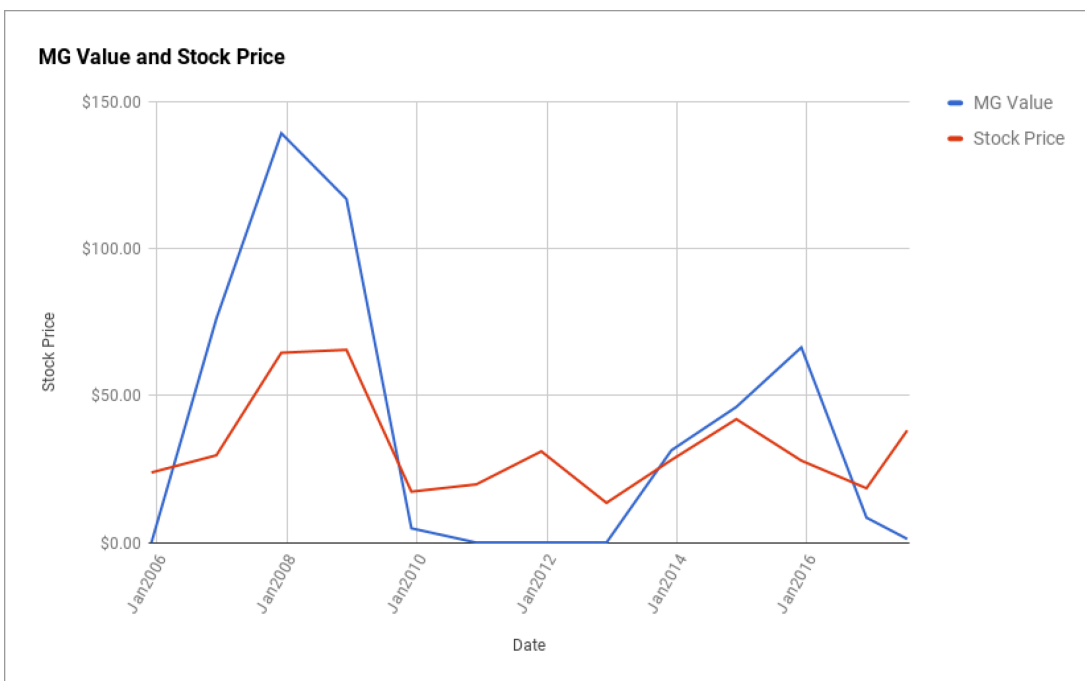
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.23
Graham Number	\$19.54
PEmg	52.14
Current Ratio	2.03
PB Ratio	2.37
Current Dividend	\$0.28
Dividend Yield	0.73%
Number of Consecutive Years of Dividend Growth	4

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	
Dec2016	\$1.20	Dec2016	\$0.73
Dec2015	-\$1.63	Dec2015	\$0.69
Dec2014	\$1.33	Dec2014	\$1.72
Dec2013	\$2.79	Dec2013	\$1.91
Dec2012	\$1.93	Dec2012	\$1.15
Dec2011	\$0.93	Dec2011	\$0.61
Dec2010	\$0.41	Dec2010	\$0.73
Dec2009	\$3.30	Dec2009	\$1.25
Dec2008	-\$3.88	Dec2008	\$0.71
Dec2007	\$0.73	Dec2007	\$3.04
Dec2006	\$5.85	Dec2006	\$3.62
Dec2005	\$3.88	Dec2005	\$1.98
Dec2004	\$1.84	Dec2004	\$0.75
Dec2003	\$3.17	Dec2003	\$0.20
Dec2002	-\$2.38	Dec2002	-\$0.79
Dec2001	-\$1.83	Dec2001	\$0.29
Dec2000	\$0.22	Dec2000	\$1.33
Dec1999	\$1.71	Balance Sheet Information	
Dec1998	\$3.38	3/1/2017	
Dec1997	\$0.77	Total Current Assets	\$2,597,700,000
	\$0.30	Total Current Liabilities	\$1,277,700,000
		Long-Term Debt	\$979,600,000
		Total Assets	\$4,163,100,000
		Intangible Assets	\$280,100,000
		Total Liabilities	\$2,467,800,000
		Shares Outstanding (Diluted Average)	105,200,000





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

[Stanley Black & Decker Inc Valuation – April 2017 \\$SWK](#)
[Lindsay Corp Valuation – Initial Coverage \\$LNN](#)
[Lennox International Inc Valuation – Initial Coverage \\$LII](#)
[Standex Int'l Corp Valuation – Initial Coverage \\$SXI](#)
[Pentair PLC Valuation – March 2017 \\$PNR](#)
[Lincoln Electric Holdings Inc Valuation – Initial Coverage \\$LECO](#)
[Lydall Inc Valuation – Initial Coverage \\$LDL](#)
[Regal Beloit Corp Valuation – February 2017 \\$RBC](#)
[Snap-on Inc Valuation – February 2017 \\$SNA](#)
[Kennametal Inc Valuation – Initial Coverage \\$KMT](#)