

# ModernGraham Valuation

Company Name:

Aecom

Company Ticker ACM

Date of Analysis

7/8/2018



## 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	\$5,242,272,720	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.23	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	-34.86%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	29.49	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.23	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	1.23	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.98	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
	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	\$16.22
MG Value based on 0% Growth	\$9.51
Market Implied Growth Rate	10.50%

### MG Opinion

Current Price	\$32.99
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$21.50
Graham Number	\$26.50
PEmg	29.49
Current Ratio	1.23
PB Ratio	1.23
Current Dividend	\$0.00
Dividend Yield	0.00%
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	\$1.23	Next Fiscal Year Estimate	\$1.12
Sep2017	\$2.13	Sep2017	\$1.13
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	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$0.00	Total Current Assets	\$6,923,960,000
Dec1999	\$0.00	Total Current Liabilities	\$5,641,841,000
Dec1998	\$0.00	Long-Term Debt	\$3,814,976,000
		Total Assets	\$14,617,332,000
		Intangible Assets	\$6,310,772,000
		Total Liabilities	\$10,352,707,000
		Shares Outstanding (Diluted Average)	159,495,000





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**

- [Aecom Valuation – December 2016 \\$ACM](#)
- [Aecom Valuation – November 2016 \\$ACM](#)
- [5 Speculative and Overvalued Companies to Avoid – August 2015](#)
- [Aecom Analysis – Initial Coverage \\$ACM](#)

**Other ModernGraham posts about related companies**

- [Lowe's Companies Inc Valuation – June 2018 \\$LOW](#)
- [Acuity Brands Inc Valuation – June 2018 \\$AYI](#)
- [Quanta Services Inc Valuation – May 2018 \\$PWR](#)
- [Mohawk Industries Inc Valuation – May 2018 \\$MHK](#)
- [Jacobs Engineering Group Inc Valuation – May 2018 \\$JEC](#)
- [Masco Corp Valuation – May 2018 \\$MAS](#)
- [D.R. Horton Inc Valuation – May 2018 \\$DHI](#)
- [Martin Marietta Materials Inc Valuation – May 2018 \\$MLM](#)
- [Fluor Corporation Valuation – April 2018 \\$FLR](#)
- [Lennar Corp Valuation – April 2018 \\$LEN](#)