

ModernGraham Valuation

Company Name:

FLIR Systems, Inc.

Company Ticker FLIR

Date of Analysis

2/16/2019



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	\$7,250,818,658	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.09	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	16.70%	Fail
5. Earnings Growth	PEmg < 20	30.16	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.87	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	4.09	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.43	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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.74
MG Growth Estimate	2.69%
MG Value	\$24.14
MG Value based on 3% Growth	\$25.20
MG Value based on 0% Growth	\$14.77
Market Implied Growth Rate	10.83%

MG Opinion

Current Price	\$52.41
% of Intrinsic Value	217.11%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.80
Graham Number	\$26.61
PEmg	30.16
Current Ratio	4.09
PB Ratio	3.87
Current Dividend	\$0.64
Dividend Yield	1.22%
Number of Consecutive Years of Dividend Growth	8

Useful Links:

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Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2018	\$2.32	Dec2018	\$1.74
Dec2017	\$2.01	Dec2017	\$1.44
Dec2016	\$0.77	Dec2016	\$1.19
Dec2015	\$1.20	Dec2015	\$1.40
Dec2014	\$1.72	Dec2014	\$1.47
Dec2013	\$1.39	Dec2013	\$1.37
Dec2012	\$1.22	Dec2012	\$1.37
Dec2011	\$1.45	Dec2011	\$1.44
Dec2010	\$1.38	Dec2010	\$1.39
Dec2009	\$1.54	Dec2009	\$1.32
Dec2008	\$1.45	Dec2008	\$1.13
Dec2007	\$1.28	Dec2007	\$0.90
Dec2006	\$0.89	Dec2006	\$0.67
Dec2005	\$0.66	Dec2005	\$0.52
Dec2004	\$0.58	Dec2004	\$0.43
Dec2003	\$0.46	Dec2003	\$0.30
Dec2002	\$0.29	Dec2003	\$0.15
Dec2001	\$0.20	Balance Sheet Information	
Dec2000	-\$0.23	12/1/2018	
Dec1999	-\$0.48	Total Current Assets	
		\$1,292,647,000	
		Total Current Liabilities	
		\$316,014,000	
		Long-Term Debt	
		\$421,948,000	
		Total Assets	
		\$2,781,242,000	
		Intangible Assets	
		\$1,051,416,000	
		Total Liabilities	
		\$904,456,000	
		Shares Outstanding (Diluted Average)	
		138,509,000	





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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