

# ModernGraham Valuation

Freeport-McMoRan  
Inc



Company Name:

Company Ticker FCX

Date of Analysis

3/2/2019

## 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	\$18,649,389,164	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.22	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		
5. Earnings Growth		-75.28%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-30.12	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.05	Fail

*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	3.22	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.51	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 Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	-0.43
MG Growth Estimate	12.74%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$6.20
MG Value based on 0% Growth	-\$3.63
Market Implied Growth Rate	-19.31%

### MG Opinion

Current Price	\$12.87
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

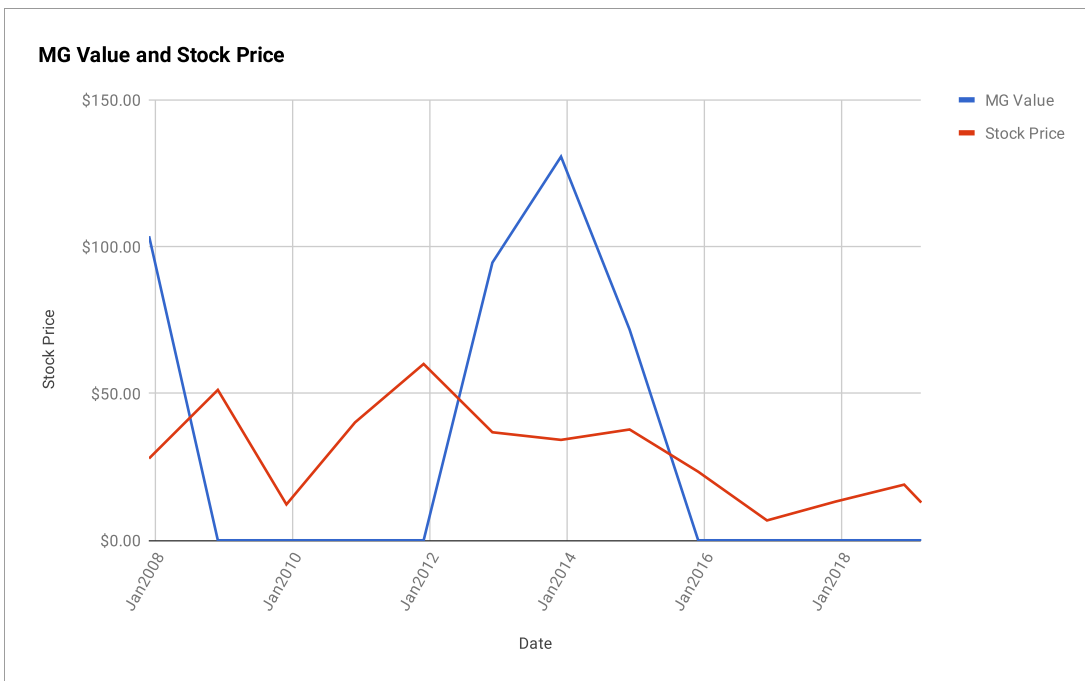
## Stage 3: Information for Further Research

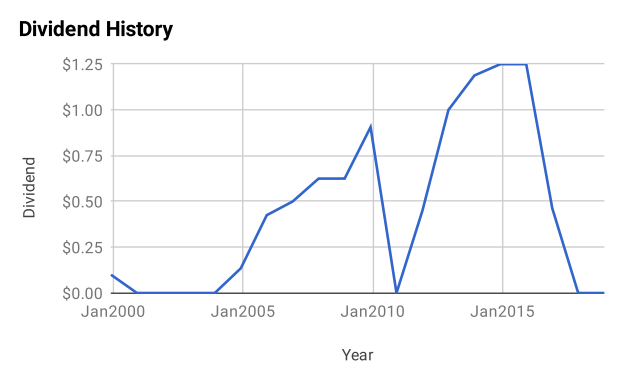
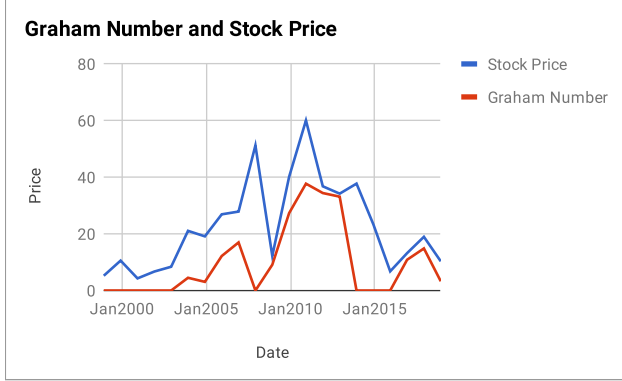
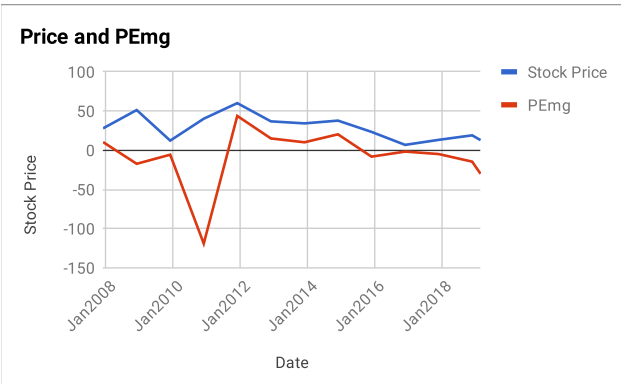
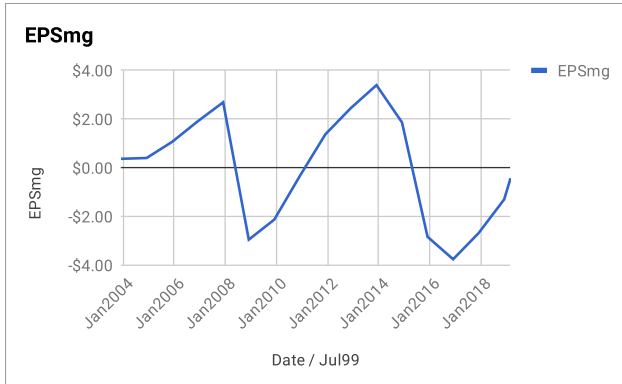
Net Current Asset Value (NCAV)	-\$9.33
Graham Number	\$3.26
PEmg	-30.12
Current Ratio	3.22
PB Ratio	1.05
Current Dividend	\$0.15
Dividend Yield	1.17%
Number of Consecutive Years of Dividend Growth	1

### 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	\$0.07	Next Fiscal Year Estimate	-\$0.43
Dec2018	\$1.78	Dec2018	-\$1.30
Dec2017	\$1.25	Dec2017	-\$2.68
Dec2016	-\$3.16	Dec2016	-\$3.76
Dec2015	-\$11.31	Dec2015	-\$2.83
Dec2014	-\$1.26	Dec2014	\$1.86
Dec2013	\$2.64	Dec2013	\$3.39
Dec2012	\$3.19	Dec2012	\$2.46
Dec2011	\$4.78	Dec2011	\$1.37
Dec2010	\$4.57	Dec2010	-\$0.34
Dec2009	\$1.47	Dec2009	-\$2.13
Dec2008	-\$14.86	Dec2008	-\$2.95
Dec2007	\$3.75	Dec2007	\$2.69
Dec2006	\$3.32	Dec2006	\$1.91
Dec2005	\$2.34	Dec2005	\$1.06
Dec2004	\$0.43	Dec2004	\$0.40
Dec2003	\$0.49	Dec2003	\$0.37
Dec2002	\$0.44	<b>Balance Sheet Information 12/1/2018</b>	
Dec2001	\$0.27	Total Current Assets	\$10,720,000,000
Dec2000	\$0.13	Total Current Liabilities	\$3,329,000,000
Dec1999	\$0.31	Long-Term Debt	\$11,124,000,000
		Total Assets	\$42,216,000,000
		Intangible Assets	\$398,000,000
		Total Liabilities	\$24,324,000,000
		Shares Outstanding (Diluted Average)	1,458,000,000





**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**
- [Freeport-McMoRan Inc Valuation – May 2018 \\$FCX](#)
  - [Most Overvalued Stocks of the S&P 500 – March 2017](#)
  - [Freeport-McMoRan Inc Valuation – January 2017 \\$FCX](#)
  - [Freeport-McMoRan Inc. Analysis – September 2015 Update \\$FCX](#)
  - [17 Companies in the Spotlight This Week – 9/20/2014](#)

- Other ModernGraham posts about related companies**
- [Newmont Mining Corp Valuation – January 2019 \\$NEM](#)
  - [SunCoke Energy Inc Valuation – September 2018 \\$SXC](#)
  - [Allegheny Technologies Inc Valuation – September 2018 \\$ATI](#)
  - [SSR Mining Inc Valuation – August 2018 \\$TSE-SSRM](#)
  - [Sandstorm Gold Ltd Valuation – August 2018 \\$TSE-SSL](#)
  - [Kirkland Lake Gold Ltd Valuation – August 2018 \\$TSE-KL](#)
  - [Natural Resource Partners LP Valuation – August 2018 \\$NRP](#)
  - [Kaiser Aluminum Corp Valuation – August 2018 \\$KALU](#)
  - [Semafo Inc Valuation – August 2018 \\$TSE-SMF](#)
  - [US Silica Holdings Inc Valuation – August 2018 \\$SLCA](#)