



## Position Close Update: Tutor Perini Corp (TPC)

**Tutor Perini Corp (TPC: \$23/share) – Closing Short Position – down 20% vs. S&P up 17%**

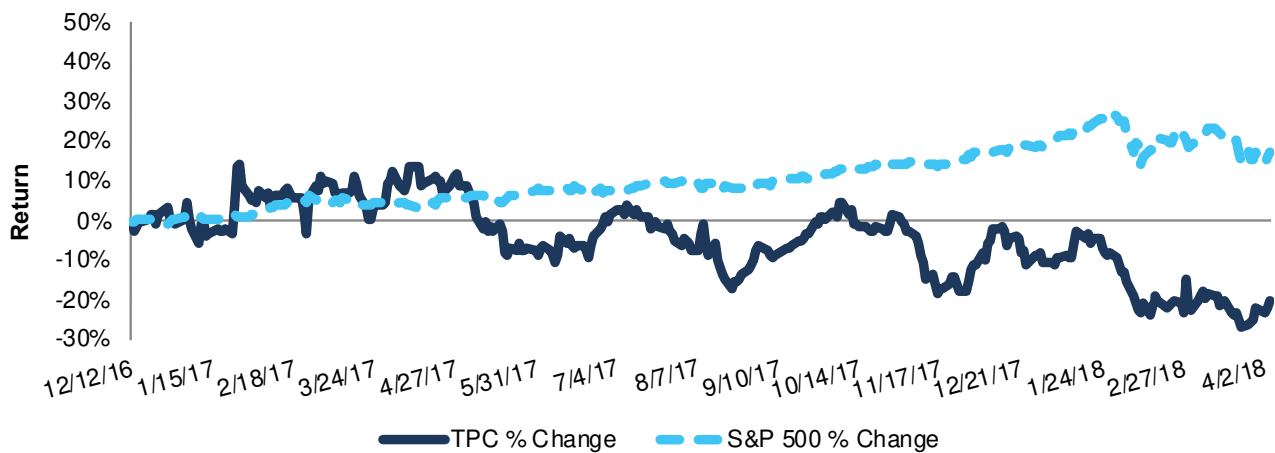
Tutor Perini was originally selected as a [Danger Zone pick on 12/12/16](#). At the time of the report, the stock received a Very Unattractive rating. Our short thesis highlighted declining [economic earnings](#), questionable shareholder value destroying acquisitions, a misaligned executive compensation plan, and low margins in a competitive industry.

During the 479-day holding period, TPC outperformed a short position, falling 20% compared to a 17% gain for the S&P 500. TPC was upgraded to Neutral on 3/15/18 as the stock price decline decreased the downside risk. While TPC's fundamentals remain weak (bottom-quintile [ROIC](#) and negative economic earnings), the growth expectations implied by its valuation have become less unrealistic, especially factoring in the lower tax rate going forward. As a result, we are closing this position.

We hope investors were able to avoid a portfolio blowup or participate in the 20% fall in the stock price.

**Figure 1: TPC vs. S&P 500 – Price Return: Successful Short Call**

### TPC Performance During Holding Period



Sources: New Constructs, LLC and company filings

Note: Gain/Decline performance analysis excludes transaction costs and dividends.

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Disclosure: David Trainer, Kyle Guske II, and Sam McBride receive no compensation to write about any specific stock, style, or theme.

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