

ModernGraham Valuation

Company Name:

Company Ticker UTX
Date of Analysis

United Technologies
Corporation

5/17/2016



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	\$85,022,706,100	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.34	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	78.89%	Pass
6. Moderate PEmg Ratio	PEmg < 20	13.08	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.93	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	1.34	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.10	Fail
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

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$7.65
MG Growth Estimate	7.18%
MG Value	\$174.94
MG Value based on 3% Growth	\$110.95
MG Value based on 0% Growth	\$65.04
Market Implied Growth Rate	2.29%

MG Opinion

Current Price	\$100.05
% of Intrinsic Value	57.19%
Opinion	Undervalued
MG Grade	A

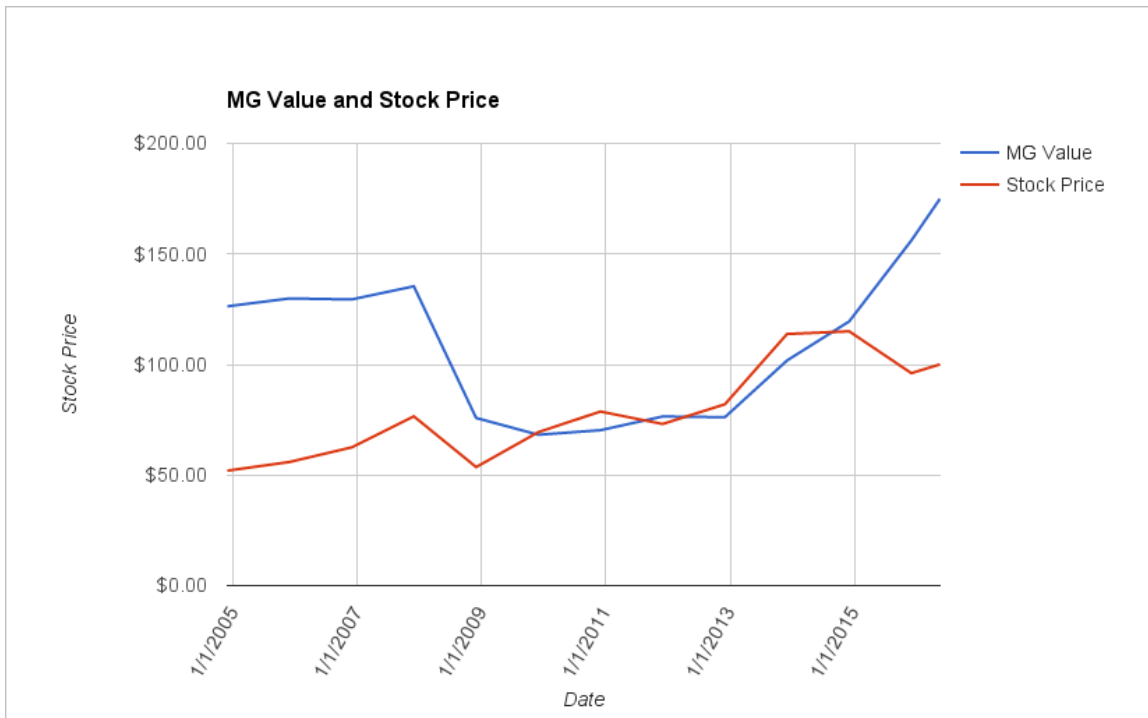
Stage 3: Information for Further Research

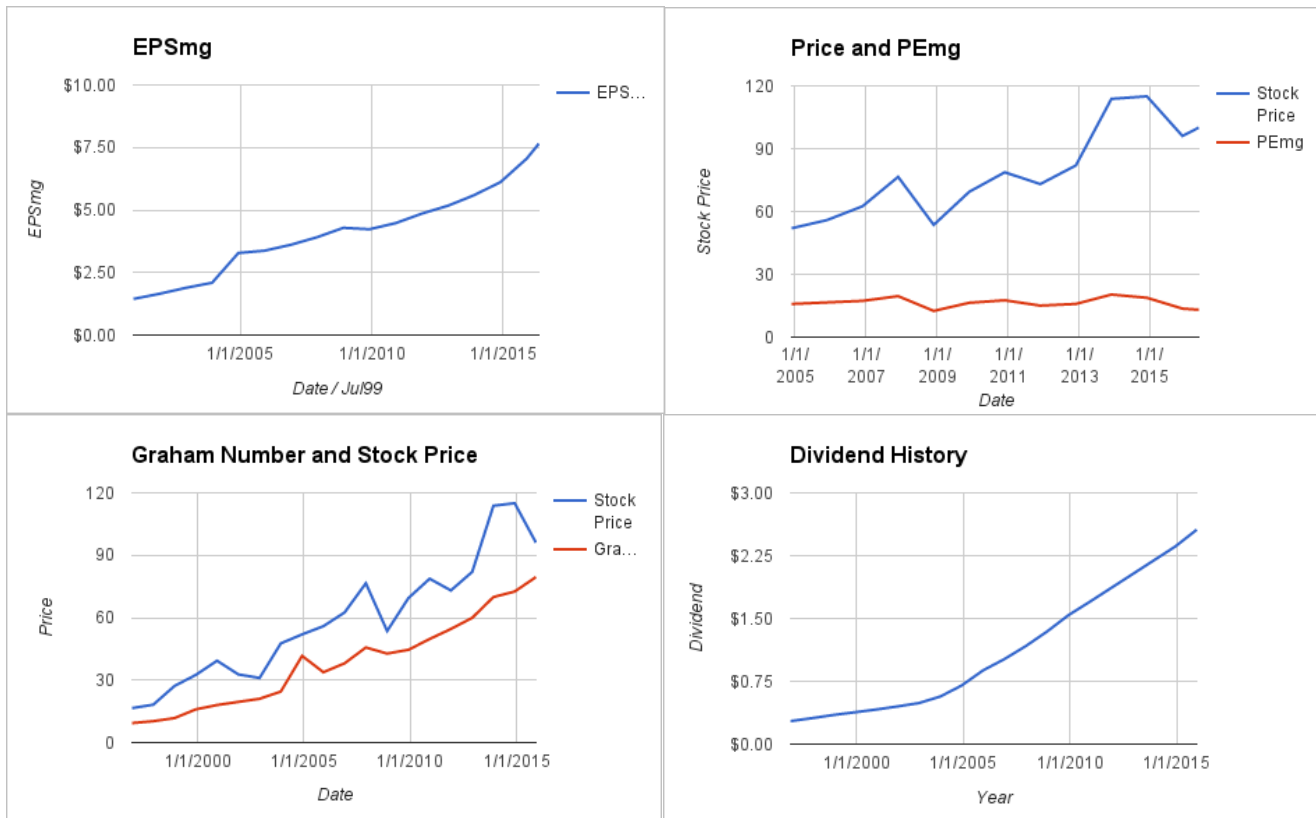
Net Current Asset Value (NCAV)	-\$39.33
Graham Number	\$79.77
PEmg	13.08
Current Ratio	1.34
PB Ratio	2.93
Current Dividend	\$2.56
Dividend Yield	2.56%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

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[Google Finance](#) [MSN Money](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$8.34	Next Fiscal Year Estimate	\$7.65
12/1/2015	\$8.61	12/1/2015	\$7.06
12/1/2014	\$6.82	12/1/2014	\$6.12
12/1/2013	\$6.25	12/1/2013	\$5.60
12/1/2012	\$5.66	12/1/2012	\$5.17
12/1/2011	\$5.49	12/1/2011	\$4.86
12/1/2010	\$4.74	12/1/2010	\$4.48
12/1/2009	\$4.12	12/1/2009	\$4.23
12/1/2008	\$4.90	12/1/2008	\$4.29
12/1/2007	\$4.27	12/1/2007	\$3.91
12/1/2006	\$3.71	12/1/2006	\$3.61
12/1/2005	\$3.03	12/1/2005	\$3.37
12/1/2004	\$5.52	12/1/2004	\$3.28
12/1/2003	\$2.35	12/1/2003	\$2.09
12/1/2002	\$2.21	12/1/2002	\$1.89
12/1/2001	\$1.92	12/1/2001	\$1.65
12/1/2000	\$1.78	12/1/2000	\$1.44
12/1/1999	\$1.51	Balance Sheet Information 3/1/2016	
12/1/1998	\$1.26	Total Current Assets	\$27,527,000,000
12/1/1997	\$1.05	Total Current Liabilities	\$20,523,000,000
12/1/1996	\$0.86	Long-term Debt	\$21,688,000,000
		Total Assets	\$88,571,000,000
		Intangible Assets	\$43,127,000,000
		Total Liabilities	\$60,218,000,000
		Shares Outstanding (Diluted Average)	831,200,000





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

- [Dividend Growth Stocks for Intelligent Investors – February 2016](#)
- [11 Best Stocks For Value Investors This Week – 11/21/15](#)
- [United Technologies Corp Valuation – November 2015 Update \\$UTX](#)
- [26 Companies in the Spotlight This Week – 11/22/14](#)
- [United Technologies Corporation Annual Valuation – 2014 \\$UTX](#)

Other ModernGraham posts about related companies

- [Raytheon Co Valuation – February 2016 \\$RTN](#)
- [Rockwell Collins Inc Valuation – January 2016 Update \\$COL](#)
- [Rockwell Collins Inc Valuation – January 2016 Update \\$COL](#)
- [General Dynamics Corporation Valuation – January 2016 Update \\$GD](#)
- [Precision Castparts Corporation Valuation – January 2016 Update \\$PCP](#)
- [United Technologies Corp Valuation – November 2015 Update \\$UTX](#)
- [Northrop Grumman Corporation Valuation – November 2015 Update \\$NOC](#)
- [Raytheon Company Valuation – October 2015 Update \\$RTN](#)
- [Precision Castparts Corporation Analysis – October 2015 Update \\$PCP](#)
- [Raytheon Company Analysis – July 2015 Update \\$RTN](#)