# **ModernGraham Valuation**

### **Company Name:**

Johnson Controls Inc



Company Ticker JCI

Date of Analysis 7/3/2016

## 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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$28,489,754,831 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.94 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	96.19% Pass
6. Moderate PEmg Ratio	PEmg < 20	21.95 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.86 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	0.94 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.01 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 No Enterprising No

### Stage 2: Determination of Intrinsic Value

EPSmg	\$2.01
MG Growth Estimate	2.80%
MG Value	\$28.33
MG Value based on 3% Growth	\$29.14
MG Value based on 0% Growth	\$17.08
Market Implied Growth Rate	6.72%

MG Opinion

Current Price\$44.10% of Intrinsic Value155.67%

Opinion Overvalued

MG Grade D

### Stage 3: Information for Further Research

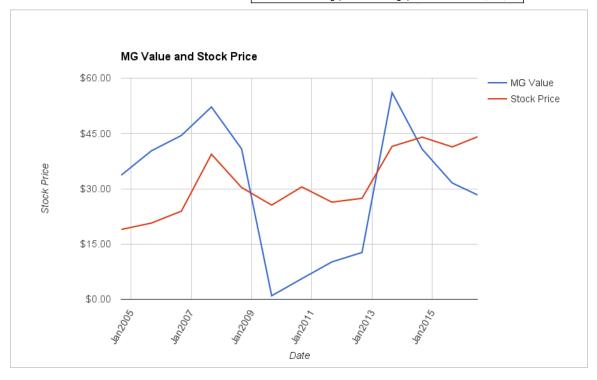
Net Current Asset Value (NCAV)	-\$15.67
Graham Number	\$26.46
PEmg	21.95
Current Ratio	0.94
PB Ratio	2.86
Current Dividend	\$1.10
Dividend Yield	2.49%
Number of Consecutive Years of Dividend Growth	6

Useful Links: ModernGraham tagged articles Morningstar

Google FinanceMSN MoneyYahoo FinanceSeeking Alpha

GuruFocus SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.02	Next Fiscal Year Estimate	\$2.01
Sep2015	\$2.36	Sep2015	\$2.00
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Sep2014	\$1.80	Sep2014	\$1.87
Sep2013	\$1.71	Sep2013	\$1.77
Sep2012	\$1.78	· ·	\$1.69
Sep2011	\$2.36	Sep2011	\$1.61
Sep2010	\$2.19	Sep2010	\$1.30
Sep2009	-\$0.57	Sep2009	\$1.00
Sep2008	\$1.63	Sep2008	\$1.75
Sep2007	\$2.09	Sep2007	\$1.74
Sep2006	\$1.74	Sep2006	\$1.51
Sep2005	\$1.56	Sep2005	\$1.33
Sep2004	\$1.41	Sep2004	\$1.17
Sep2003	\$1.20	Sep2003	\$1.02
Sep2002	\$1.06	Sep2002	\$0.89
Sep2001	\$0.85	Sep2001	\$0.77
Sep2000	\$0.85	Sep2000	\$0.70
Sep1999	\$0.75	Balance Sheet Information	3/1/2016
Sep1998	\$0.61	Total Current Assets	\$11,058,000,000
Sep1997	\$0.52	Total Current Liabilities	\$11,792,000,000
Sep1996	\$0.43	Long-Term Debt	\$5,143,000,000
		Total Assets	\$31,199,000,000
		Intangible Assets	\$8,618,000,000
		Total Liabilities	\$21,215,000,000
		Shares Outstanding (Diluted Average)	648,200,000





#### 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

28 Companies in the Spotlight This Week – 2/28/15
Johnson Controls Inc. Annual Valuation – 2015 \$JCI
14 Companies in the Spotlight This Week – 2/22/14
Johnson Controls Inc. (JCI) Annual Valuation

Goodyear Tire & Rubber Co Valuation – July 2016 \$GT

Other ModernGraham posts about related companies

Harley-Davidson Inc Valuation – June 2016 \$HOG

Autozone Inc Valuation – June 2016 \$AZO

BorgWarner Inc Valuation – February 2016 Update \$BWA

Genuine Parts Co Valuation – January 2016 Update \$GPC

Ford Motor Company Valuation – January 2016 Update \$F

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AutoNation Inc Valuation – November 2015 Update \$AN