ModernGraham Valuation

Company Name:

ITT Inc.

Company Ticker
Date of Analysis

1/12/2017



2.59 Pass

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.

7. Moderate Price to Assets

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$3,721,158,000	Pass
Sufficiently Strong Financial Condition	Current Ratio > 2	1.61	Fail
Earnings Stability	Positive EPS for 10 years prior		Fail
Dividend Record	Dividend Payments for 10 years prior		Pass
E. Carainga Crayth	Increase of 33% in EPS in past 10 years using 3 year averages at	66.450/	⊏ a:I
5. Earnings Growth	beginning and end	-66.15%	Fall
Moderate PEmg Ratio	PEma < 20	14.25	Pass

PB Ratio < 2.5 OR PB*PEmg < 50

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	1.61 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00 Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Fail

Score

Suitability

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.95
MG Growth Estimate	-1.73%
MG Value	\$14.85
MG Value based on 3% Growth	\$42.73
MG Value based on 0% Growth	\$25.05
Market Implied Growth Rate	2.88%

MG Opinion

Current Price \$41.99
% of Intrinsic Value 282.67%

Opinion Overvalued

MG Grade C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$8.31
Graham Number	\$28.31
PEmg	14.25
Current Ratio	1.61
PB Ratio	2.59
Current Dividend	\$0.49
Dividend Yield	1.17%
Number of Consecutive Years of Dividend Growth	4

Morningstar

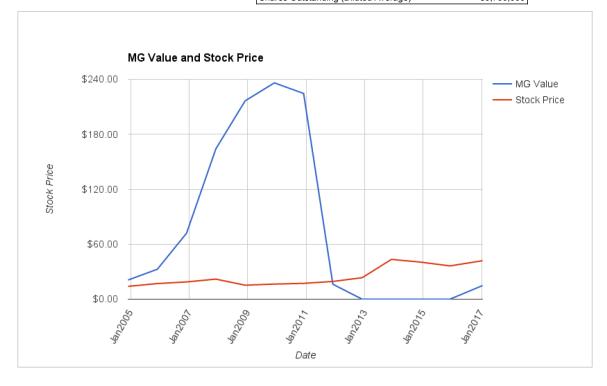
Useful Links: ModernGraham tagged articles

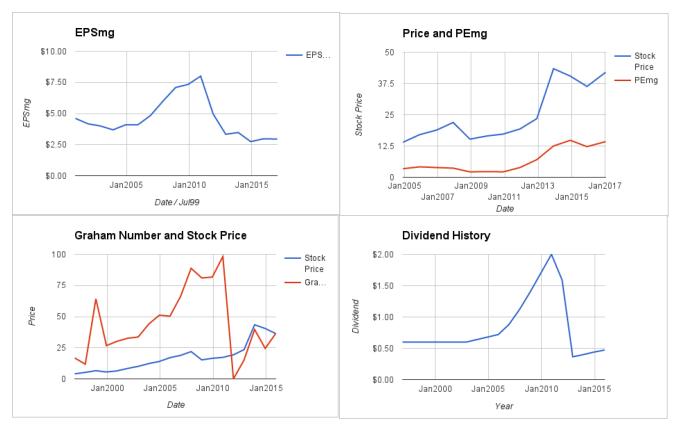
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$2.16	Next Fiscal Year Estimate	\$2.95
Dec2015	\$3.88	Dec2015	\$2.97
Dec2014	\$1.99	Dec2014	\$2.74
Dec2013	\$5.29	Dec2013	\$3.47
Dec2012	\$1.33	Dec2012	\$3.33
Dec2011	-\$1.40	Dec2011	\$4.96
Dec2010	\$8.75	Dec2010	\$8.00
Dec2009	\$7.00	Dec2009	\$7.34
Dec2008	\$8.66	Dec2008	\$7.09
Dec2007	\$8.06	Dec2007	\$6.00
Dec2006	\$6.20	Dec2006	\$4.85
Dec2005	\$3.82	Dec2005	\$4.10
Dec2004	\$4.58	Dec2004	\$4.09
Dec2003	\$4.30	Dec2003	\$3.69
Dec2002	\$4.06	Dec2002	\$4.00
Dec2001	\$3.05	Dec2001	\$4.17
Dec2000	\$2.94	Dec2000	\$4.61
Dec1999	\$2.53	Balance Sheet Information	9/1/2016
Dec1998	\$13.55	Total Current Assets	\$1,515,800,000
Dec1997	\$0.89	Total Current Liabilities	\$938,900,000
Dec1996	\$1.85	Long-Term Debt	\$0
		Total Assets	\$3,717,600,000
		Intangible Assets	\$951,200,000
		Total Liabilities	\$2,261,600,000
		Shares Outstanding (Diluted Average)	89,700,000





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:

ModernGraham posts about the company

#N/A

Other ModernGraham posts about related companies E I du Pont de Nemours & Co Valuation – August 2016 \$DD

3M Company Valuation – August 2016 \$MMM

General Electric Co Valuation - July 2016 \$GE

Illinois Tool Works Inc Valuation – July 2016 \$ITW

Raven Industries Inc Valuation – July 2016 \$RAVN

E.I. du Pont de Nemours Valuation – February 2016 \$DD

Honeywell International Inc Valuation – February 2016 \$HON

3M Company Valuation - February 2016 Update \$MMM

Raven Industries Inc Valuation – January 2016 Update \$RAVN

Illinois Tool Works Inc Valuation – January 2016 Update \$ITW