

ModernGraham Valuation

Company Name:

United Rentals, Inc.

Company Ticker URI

Date of Analysis

9/6/2017



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	\$10,242,878,341	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.85	Fail
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	-257.53%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	17.10	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.31	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	0.85	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-29.01	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$7.08
MG Growth Estimate	15.00%
MG Value	\$272.71
MG Value based on 3% Growth	\$102.71
MG Value based on 0% Growth	\$60.21
Market Implied Growth Rate	4.30%

MG Opinion

Current Price	\$121.16
% of Intrinsic Value	44.43%
Opinion	Undervalued
MG Grade	C-

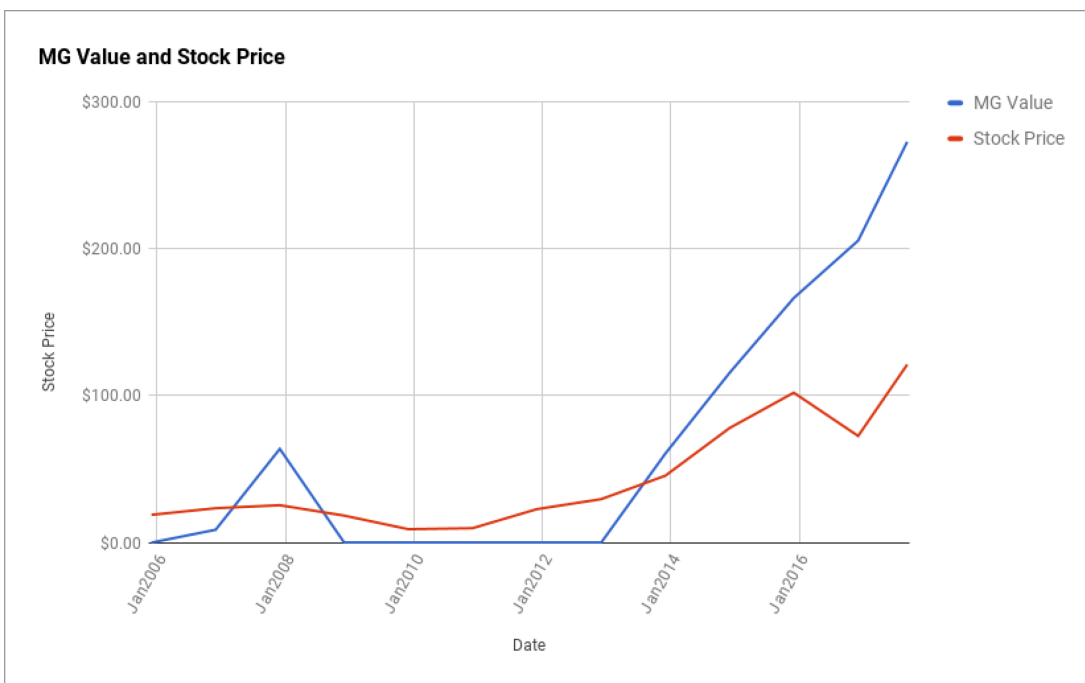
Stage 3: Information for Further Research

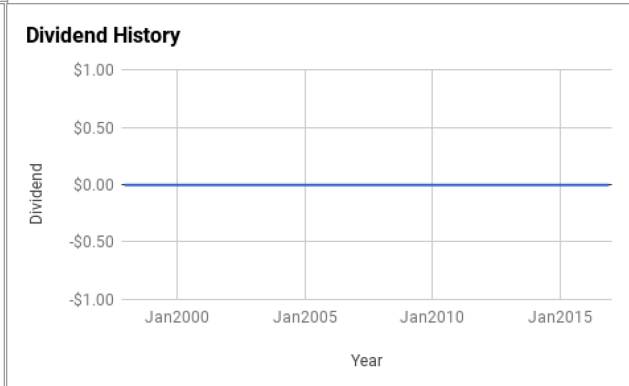
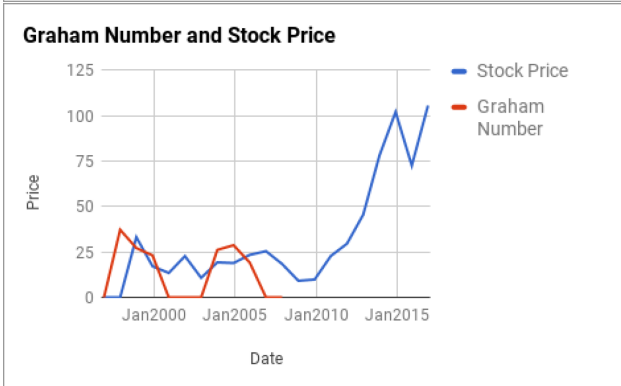
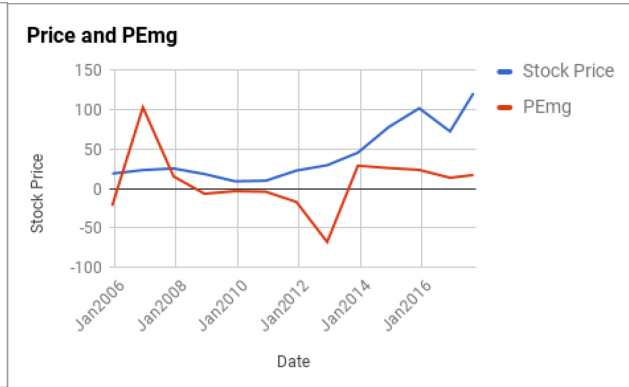
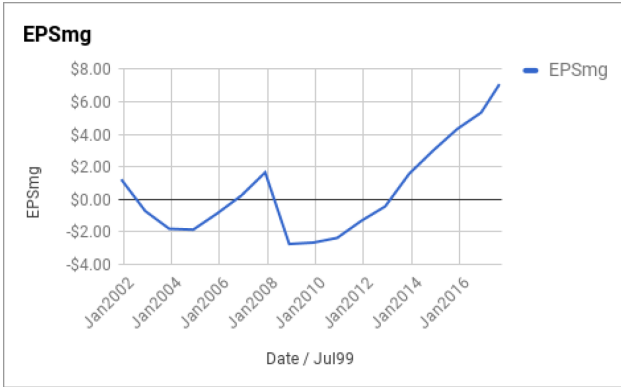
Net Current Asset Value (NCAV)	-\$115.36
Graham Number	\$65.22
PEmg	17.10
Current Ratio	0.85
PB Ratio	5.31
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$9.66	Next Fiscal Year Estimate	\$7.08
Dec2016	\$6.45	Dec2016	\$5.34
Dec2015	\$6.07	Dec2015	\$4.32
Dec2014	\$5.15	Dec2014	\$3.00
Dec2013	\$3.64	Dec2013	\$1.57
Dec2012	\$0.79	Dec2012	-\$0.43
Dec2011	\$1.38	Dec2011	-\$1.33
Dec2010	-\$0.44	Dec2010	-\$2.37
Dec2009	-\$1.02	Dec2009	-\$2.66
Dec2008	-\$12.62	Dec2008	-\$2.75
Dec2007	\$3.25	Dec2007	\$1.66
Dec2006	\$2.06	Dec2006	\$0.23
Dec2005	\$1.80	Dec2005	-\$0.86
Dec2004	-\$0.88	Dec2004	-\$1.86
Dec2003	-\$3.29	Dec2003	-\$1.81
Dec2002	-\$4.88	Dec2002	-\$0.72
Dec2001	\$1.18	Dec2001	\$1.23
Dec2000	\$1.89	Balance Sheet Information	6/1/2017
Dec1999	\$1.53	Total Current Assets	\$1,483,000,000
Dec1998	\$0.18	Total Current Liabilities	\$1,744,000,000
Dec1997	\$0.00	Long-Term Debt	\$7,571,000,000
		Total Assets	\$13,284,000,000
		Intangible Assets	\$4,266,000,000
		Total Liabilities	\$11,336,000,000
		Shares Outstanding (Diluted Average)	85,408,000





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
[United Rentals Inc Valuation – August 2016 \\$URI](#)
[United Rentals Inc. Analysis – Initial Coverage \\$URI](#)

Other ModernGraham posts about related companies
[ExiService Holdings Inc Valuation – Initial Coverage \\$EXLS](#)
[Trueblue Inc Valuation – Initial Coverage \\$TBI](#)
[Global Payments Inc Valuation – Initial Coverage \\$GPN](#)
[Strayer Education Inc Valuation – Initial Coverage \\$STRA](#)
[Robert Half International Inc Valuation – February 2017 \\$RHI](#)
[Multi-Color Corporation Valuation – Initial Coverage \\$LABL](#)
[Kinaxis Inc Valuation – Initial Coverage \\$TSE:KXS](#)
[Korn-Ferry International Valuation – Initial Coverage \\$KFY](#)
[Capella Education Company Valuation – Initial Coverage \\$CPLA](#)
[Kelly Services Inc Valuation – Initial Coverage \\$KELYA](#)