ModernGraham Valuation

Company Name:

L3 Technologies



Company Ticker LLL Date of Analysis

3/26/2018

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	\$16,312,039,364 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.87 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	5.70% Fail
Moderate PEmg Ratio	PEmg < 20	29.30 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.27 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.87 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.61 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Fail
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Fail

Score

Suitability

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$7.12
MG Growth Estimate	-1.79%
MG Value	\$35.02
MG Value based on 3% Growth	\$103.18
MG Value based on 0% Growth	\$60.49
Market Implied Growth Rate	10.40%

MG Opinion

Current Price \$208.53 % of Intrinsic Value 595.52%

Opinion Overvalued MG Grade

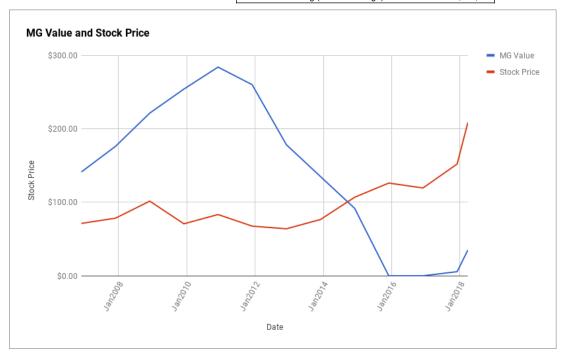
Stage 3: Information for Further Research

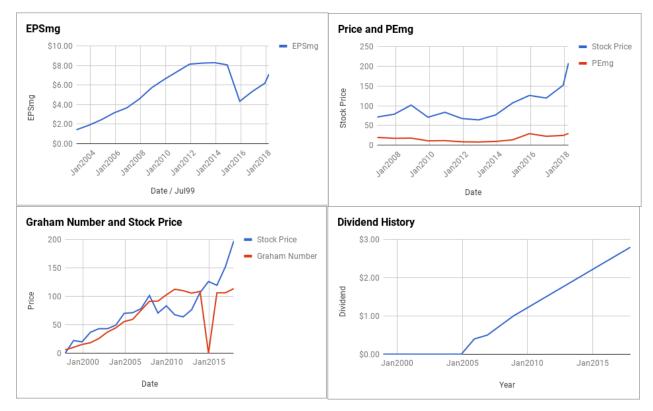
Net Current Asset Value (NCAV)	-\$40.18
Graham Number	\$113.74
PEmg	29.30
Current Ratio	1.87
PB Ratio	3.27
Current Dividend	\$3.00
Dividend Yield	1.44%
Number of Consecutive Years of Dividend	
Growth	14

Useful Links: ModernGraham tagged articles

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate	*	Next Fiscal Year Estimate	\$7.12
Dec2017	\$8.51	Dec2017	\$6.20
Dec2016	\$9.01	Dec2016	\$5.36
Dec2015	-\$2.97	Dec2015	\$4.35
Dec2014	\$7.56	Dec2014	\$8.08
Dec2013	\$8.24	Dec2013	\$8.31
Dec2012	\$8.03	Dec2012	\$8.26
Dec2011	\$9.05	Dec2011	\$8.15
Dec2010	\$8.25	Dec2010	\$7.38
Dec2009	\$7.61	Dec2009	\$6.60
Dec2008	\$7.59	Dec2008	\$5.75
Dec2007	\$5.98	Dec2007	\$4.58
Dec2006	\$4.22	Dec2006	\$3.67
Dec2005	\$4.20	Dec2005	\$3.17
Dec2004	\$3.33	Dec2004	\$2.47
Dec2003	\$2.62	Dec2003	\$1.90
Dec2002	\$1.93	Dec2002	\$1.43
Dec2001	\$1.47	Balance Sheet Information	12/1/2017
Dec2000	\$1.19	Total Current Assets	\$4,448,000,000
Dec1999	\$0.88	Total Current Liabilities	\$2,379,000,000
Dec1998	\$0.63	Long-Term Debt	\$3,330,000,000
		Total Assets	\$12,729,000,000
		Intangible Assets	\$6,907,000,000
		Total Liabilities	\$7,646,000,000
		Shares Outstanding (Diluted Average)	79,600,000





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.

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Other ModernGraham posts about the company 47 Companies in the Spotlight This Week - 5/16/15

<u>L3 Communications Holdings Inc. Quarterly Valuation – May 2015 \$LLL</u>

34 Companies in the Spotlight This Week – 2/7/15

L-3 Communications Holdings Inc. Quarterly Valuation – February 2015 \$LLL

28 Companies in the Spotlight This Week - 11/1/14

Lockheed Martin Corp Valuation - February 2018 \$LMT

Other ModernGraham posts about related companies Textron Inc Valuation - March 2018 \$TXT

United Technologies Corp Valuation – February 2018 \$UTX
Triumph Group Inc Valuation – Initial Coverage \$TGI
Raytheon Company Valuation – April 2017 \$RTN
General Dynamics Corp Valuation – March 2017 \$GD
TASER International Inc Valuation – Initial Coverage \$TASR
Cubic Corporation Valuation – Initial Coverage \$CUB
Northrop Grumman Corp Valuation – February 2017 \$NOC

Rockwell Collins Inc Valuation - January 2017 \$COL