ModernGraham Valuation

Company Name:

Rockwell Collins, Inc.



Company Ticker COL

Date of Analysis 5/5/2018

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 | \$21,767,121,031 Pass |
|--|--|-----------------------|
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 1.61 Fail |
| 3. Earnings Stability | Positive EPS for 10 years prior | Pass |
| 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 | 49.43% Pass |
| Moderate PEmg Ratio | PEmg < 20 | 23.85 Fail |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 3.31 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 | 1.61 Pass |
|--|--------------------------------|-----------|
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 3.31 Fail |
| Earnings Stability | Positive EPS for 5 years prior | Pass |
| Dividend Record | Currently Pays Dividend | Pass |
| 5. Earnings Growth | EPSmg greater than 5 years ago | Pass |
| | 0 | |

Score

Suitability

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

| EPSmg | \$5.56 |
|-----------------------------|---------|
| MG Growth Estimate | 4.39% |
| MG Value | \$95.99 |
| MG Value based on 3% Growth | \$80.59 |
| MG Value based on 0% Growth | \$47.24 |
| Market Implied Growth Rate | 7.67% |
| | |

MG Opinion

Current Price \$132.54 % of Intrinsic Value 138.08%

Opinion Overvalued MG Grade

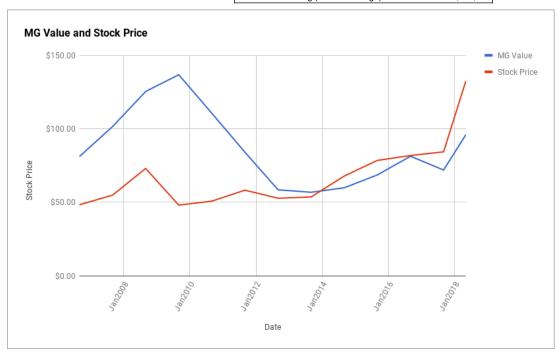
Stage 3: Information for Further Research

| Net Current Asset Value (NCAV) | -\$39.35 |
|---|----------|
| Graham Number | \$74.24 |
| PEmg | 23.85 |
| Current Ratio | 1.61 |
| PB Ratio | 3.31 |
| Current Dividend | \$1.32 |
| Dividend Yield | 1.00% |
| Number of Consecutive Years of Dividend | _ |
| Growth | 3 |

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| EPS History | | EPSmg History | |
|------------------------------|--------|--------------------------------------|-----------------|
| Next Fiscal Year Estimate | \$6.60 | Next Fiscal Year Estimate | \$5.56 |
| | \$4.79 | | \$5.5 \$4.9 |
| Sep2017 | • | Sep2017 | |
| Sep2016 | \$5.51 | Sep2016 | \$4.9 |
| Sep2015 | \$5.13 | ' | \$4.6 |
| Sep2014 | \$4.42 | Sep2014 | \$4.3 |
| Sep2013 | \$4.58 | Sep2013 | \$4.1 |
| Sep2012 | \$4.15 | Sep2012 | \$3.9 |
| Sep2011 | \$4.06 | Sep2011 | \$3.8 |
| Sep2010 | \$3.52 | Sep2010 | \$3.6 |
| Sep2009 | \$3.73 | Sep2009 | \$3.5 |
| Sep2008 | \$4.16 | Sep2008 | \$3.2 |
| Sep2007 | \$3.45 | Sep2007 | \$2.6 |
| Sep2006 | \$2.73 | Sep2006 | \$2.1 |
| Sep2005 | \$2.20 | Sep2005 | \$1.6 |
| Sep2004 | \$1.67 | Sep2004 | \$1.2 |
| Sep2003 | \$1.43 | Sep2003 | \$0.9 |
| Sep2002 | \$1.28 | Sep2002 | \$0.6 |
| Sep2001 | \$0.76 | Balance Sheet Information | 3/1/201 |
| Sep2000 | \$0.00 | Total Current Assets | \$5,143,000,00 |
| Dec1999 | \$0.00 | Total Current Liabilities | \$3,193,000,00 |
| Dec1998 | \$0.00 | Long-Term Debt | \$6,456,000,00 |
| | | Total Assets | \$18,300,000,00 |
| | | Intangible Assets | \$11,187,000,00 |
| | | Total Liabilities | \$11,667,000,00 |
| | | Shares Outstanding (Diluted Average) | 165,800,00 |





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:

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