

# 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 beginning and end	49.43%	Pass
5. Earnings Growth			
6. 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
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
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.56
MG Growth Estimate	4.39%
<b>MG Value</b>	<b>\$95.99</b>
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%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## 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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[GuruFocus](#)

[Morningstar](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.60	Next Fiscal Year Estimate	\$5.56
Sep2017	\$4.79	Sep2017	\$4.99
Sep2016	\$5.51	Sep2016	\$4.98
Sep2015	\$5.13	Sep2015	\$4.63
Sep2014	\$4.42	Sep2014	\$4.30
Sep2013	\$4.58	Sep2013	\$4.16
Sep2012	\$4.15	Sep2012	\$3.94
Sep2011	\$4.06	Sep2011	\$3.82
Sep2010	\$3.52	Sep2010	\$3.64
Sep2009	\$3.73	Sep2009	\$3.55
Sep2008	\$4.16	Sep2008	\$3.26
Sep2007	\$3.45	Sep2007	\$2.64
Sep2006	\$2.73	Sep2006	\$2.11
Sep2005	\$2.20	Sep2005	\$1.69
Sep2004	\$1.67	Sep2004	\$1.29
Sep2003	\$1.43	Sep2003	\$0.97
Sep2002	\$1.28	Sep2002	\$0.63
Sep2001	\$0.76	<b>Balance Sheet Information 3/1/2018</b>	
Sep2000	\$0.00	Total Current Assets	\$5,143,000,000
Dec1999	\$0.00	Total Current Liabilities	\$3,193,000,000
Dec1998	\$0.00	Long-Term Debt	\$6,456,000,000
		Total Assets	\$18,300,000,000
		Intangible Assets	\$11,187,000,000
		Total Liabilities	\$11,667,000,000
		Shares Outstanding (Diluted Average)	165,800,000





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**

- [Rockwell Collins Inc Valuation – January 2017 \\$COL](#)
- [Rockwell Collins Inc Valuation – August 2016 \\$COL](#)
- [Rockwell Collins Inc Valuation – January 2016 Update \\$COL](#)
- [32 Companies in the Spotlight This Week – 12/6/14](#)
- [Rockwell Collins Inc. Annual Valuation – 2014 \\$COL](#)

**Other ModernGraham posts about related companies**

- [L3 Technologies Inc Valuation – March 2018 \\$LLL](#)
- [Textron Inc Valuation – March 2018 \\$TXT](#)
- [Lockheed Martin Corp Valuation – February 2018 \\$LMT](#)
- [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](#)