

# ModernGraham Valuation

Company Name:

United Rentals, Inc.

Company Ticker

URI

Date of Analysis

6/29/2018



## 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	\$12,265,222,524	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.97	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	-44475.00%	Fail
5. Earnings Growth	PEmg < 20	13.33	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.11	Fail
7. Moderate Price to Assets			

*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	0.97	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-164.94	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$11.08
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$426.48</b>
MG Value based on 3% Growth	\$160.62
MG Value based on 0% Growth	\$94.16
Market Implied Growth Rate	2.41%

### MG Opinion

Current Price	\$147.62
% of Intrinsic Value	34.61%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

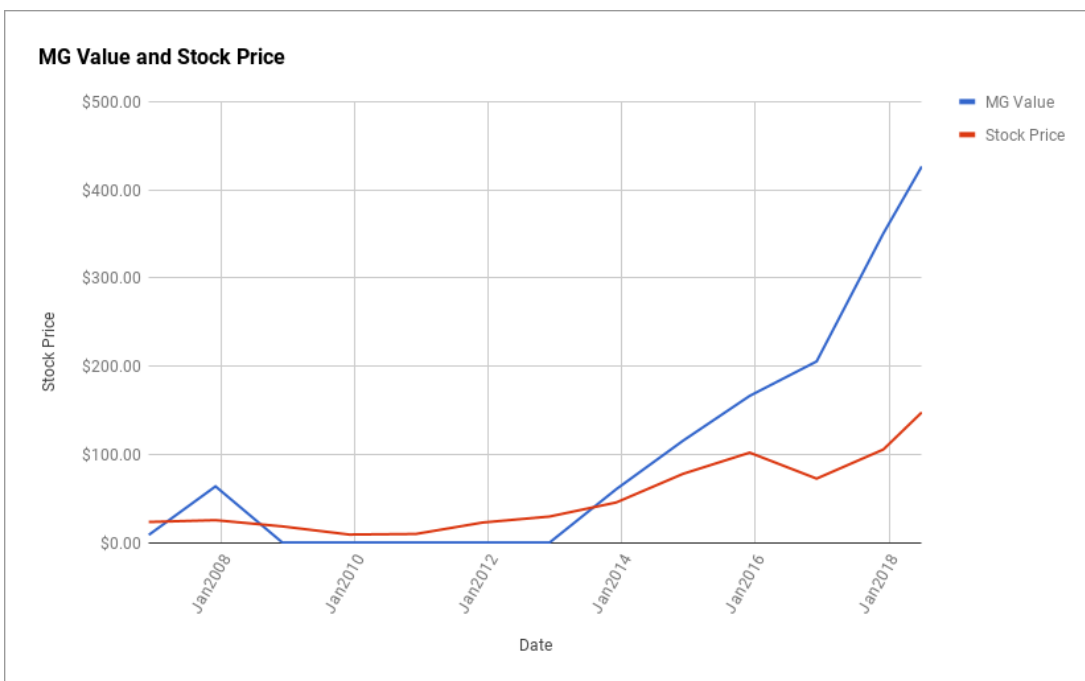
Net Current Asset Value (NCAV)	-\$117.79
Graham Number	\$104.98
PEmg	13.33
Current Ratio	0.97
PB Ratio	4.11
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$15.73	Dec2017	\$9.11
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	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$1.89	Total Current Assets	\$1,590,000,000
Dec1999	\$1.53	Total Current Liabilities	\$1,641,000,000
Dec1998	\$0.18	Long-Term Debt	\$8,412,000,000
		Total Assets	\$14,688,000,000
		Intangible Assets	\$4,940,000,000
		Total Liabilities	\$11,630,000,000
		Shares Outstanding (Diluted Average)	85,238,000





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 – September 2017 \\$URI](#)
- [United Rentals Inc Valuation – August 2016 \\$URI](#)
- [United Rentals Inc. Analysis – Initial Coverage \\$URI](#)

Other ModernGraham posts about related companies

- [Global Payments Inc Valuation – June 2018 \\$GPN](#)
- [Verisk Analytics Inc Valuation – June 2018 \\$VRSK](#)
- [Robert Half International Inc Valuation – June 2018 \\$RHI](#)
- [Alliance Data Systems Corp Valuation – May 2018 \\$ADS](#)
- [Whirlpool Corporation Valuation – April 2018 \\$WHR](#)
- [IHS Markit Ltd Valuation – Initial Coverage April 2018 \\$INFO](#)
- [Automatic Data Processing Inc Valuation – April 2018 \\$ADP](#)
- [Accenture PLC Valuation – April 2018 \\$ACN](#)
- [Fiserv Inc Valuation – April 2018 \\$FISV](#)
- [Iron Mountain Inc Valuation – April 2018 \\$IRM](#)