

# ModernGraham Valuation

United Technologies  
Corporation



Company Name:

Company Ticker UTX

Date of Analysis

11/21/2018

## 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	\$101,829,144,572	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.52	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	32.06%	Fail
6. Moderate PEmg Ratio	PEmg < 20	18.91	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.98	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	1.52	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.79	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 Score		Pass

Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$6.72
MG Growth Estimate	1.48%
<b>MG Value</b>	<b>\$77.03</b>
MG Value based on 3% Growth	\$97.49
MG Value based on 0% Growth	\$57.15
Market Implied Growth Rate	5.20%

*MG Opinion*

Current Price	\$127.13
% of Intrinsic Value	165.03%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$50.49
Graham Number	\$77.10
PEmg	18.91
Current Ratio	1.52
PB Ratio	2.98
Current Dividend	\$2.72
Dividend Yield	2.14%
Number of Consecutive Years of Dividend Growth	20

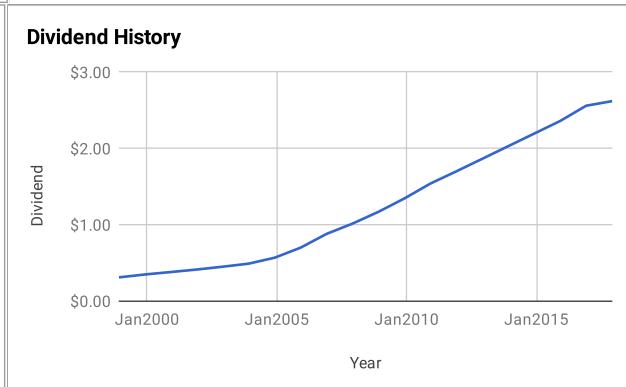
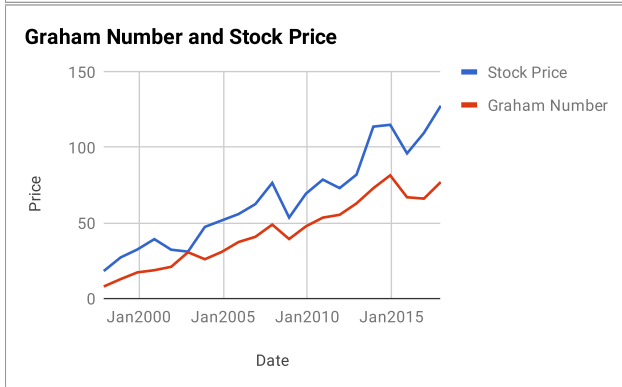
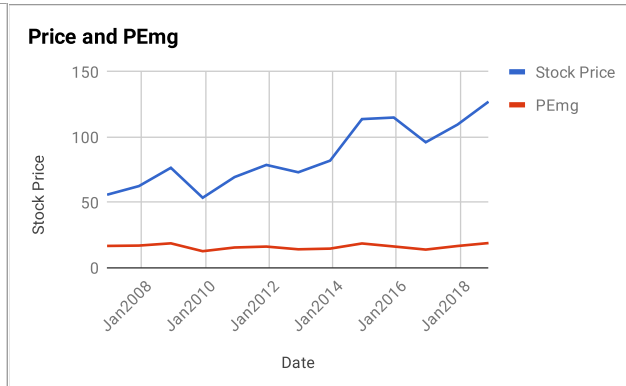
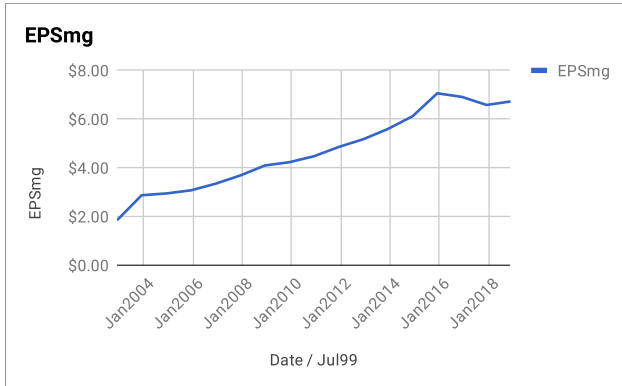
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.13	Next Fiscal Year Estimate	\$6.72
Dec2017	\$5.70	Dec2017	\$6.58
Dec2016	\$6.12	Dec2016	\$6.91
Dec2015	\$8.61	Dec2015	\$7.06
Dec2014	\$6.82	Dec2014	\$6.12
Dec2013	\$6.25	Dec2013	\$5.60
Dec2012	\$5.66	Dec2012	\$5.17
Dec2011	\$5.49	Dec2011	\$4.86
Dec2010	\$4.74	Dec2010	\$4.48
Dec2009	\$4.12	Dec2009	\$4.23
Dec2008	\$4.90	Dec2008	\$4.09
Dec2007	\$4.27	Dec2007	\$3.68
Dec2006	\$3.71	Dec2006	\$3.35
Dec2005	\$3.03	Dec2005	\$3.07
Dec2004	\$2.64	Dec2004	\$2.95
Dec2003	\$4.69	Dec2003	\$2.87
Dec2002	\$2.21	Dec2002	\$1.85
Dec2001	\$1.92	<b>Balance Sheet Information 9/1/2018</b>	
Dec2000	\$1.78	Total Current Assets	\$40,204,000,000
Dec1999	\$1.51	Total Current Liabilities	\$26,504,000,000
Dec1998	\$0.63	Long-Term Debt	\$38,275,000,000
		Total Assets	\$114,939,000,000
		Intangible Assets	\$43,380,000,000
		Total Liabilities	\$80,689,000,000
		Shares Outstanding (Diluted Average)	801,800,000





**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**
- [United Technologies Corp Valuation – February 2018 \\$UTX](#)
  - [Best Dividend Paying Stocks for Dividend Growth Investors – August 2017](#)
  - [Best Dividend Paying Stocks for Dividend Growth Investors – March 2017](#)
  - [5 Undervalued Dow Components to Research – March 2017](#)
  - [10 Low PE Stock Picks for the Defensive Investor – February 2017](#)

- Other ModernGraham posts about related companies**
- [Boeing Co Valuation – November 2018 \\$BA](#)
  - [Axon Enterprises Inc Valuation – October 2018 \\$AAXN](#)
  - [Cubic Corp Valuation – September 2018 \\$CUB](#)
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  - [Kaman Corp Valuation – August 2018 \\$KAMN](#)
  - [Raytheon Co Valuation – June 2018 \\$RTN](#)
  - [General Dynamics Corp Valuation – June 2018 \\$GD](#)
  - [TransDigm Group Inc Valuation – June 2018 \\$TDG](#)
  - [Northrop Grumman Corp Valuation – May 2018 \\$NOC](#)
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