

# ModernGraham Valuation

Johnson Controls  
International PLC



## Company Name:

Company Ticker JCI

Date of Analysis

1/21/2019

## 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	\$30,244,450,646	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.05	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 beginning and end	0.53%	Fail
5. Earnings Growth	PEmg < 20	21.66	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.36	Pass
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	1.05	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	16.85	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 Score		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.51
MG Growth Estimate	-3.52%
<b>MG Value</b>	<b>\$2.20</b>
MG Value based on 3% Growth	\$21.91
MG Value based on 0% Growth	\$12.85
Market Implied Growth Rate	6.58%

### MG Opinion

Current Price	\$32.73
% of Intrinsic Value	1490.37%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

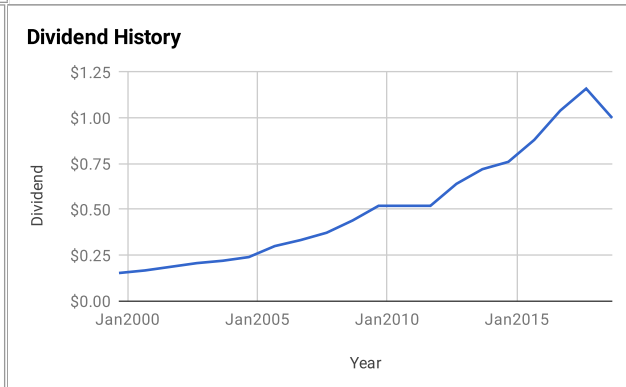
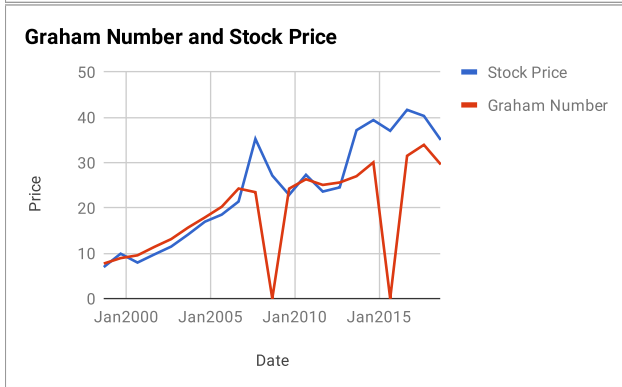
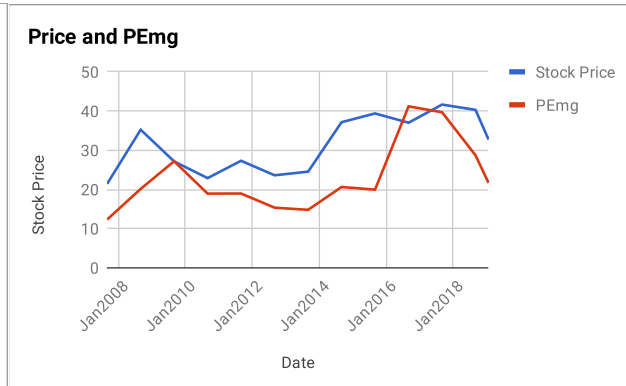
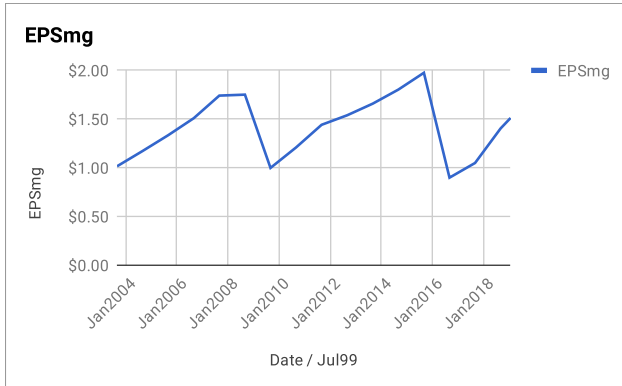
Net Current Asset Value (NCAV)	-\$15.60
Graham Number	\$29.58
PEmg	21.66
Current Ratio	1.05
PB Ratio	1.36
Current Dividend	\$1.04
Dividend Yield	3.18%
Number of Consecutive Years of Dividend Growth	1

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.70	Next Fiscal Year Estimate	\$1.51
Sep2018	\$2.32	Sep2018	\$1.40
Sep2017	\$1.71	Sep2017	\$1.05
Sep2016	-\$1.30	Sep2016	\$0.90
Sep2015	\$2.36	Sep2015	\$1.98
Sep2014	\$1.80	Sep2014	\$1.80
Sep2013	\$1.71	Sep2013	\$1.66
Sep2012	\$1.72	Sep2012	\$1.54
Sep2011	\$2.06	Sep2011	\$1.44
Sep2010	\$1.92	Sep2010	\$1.21
Sep2009	-\$0.57	Sep2009	\$1.00
Sep2008	\$1.63	Sep2008	\$1.75
Sep2007	\$2.09	Sep2007	\$1.74
Sep2006	\$1.74	Sep2006	\$1.51
Sep2005	\$1.56	Sep2005	\$1.33
Sep2004	\$1.41	Sep2004	\$1.17
Sep2003	\$1.20	Sep2003	\$1.02
Sep2002	\$1.06	<b>Balance Sheet Information 9/1/2018</b>	
Sep2001	\$0.85	Total Current Assets	\$11,823,000,000
Sep2000	\$0.85	Total Current Liabilities	\$11,250,000,000
Sep1999	\$0.75	Long-Term Debt	\$9,654,000,000
		Total Assets	\$48,797,000,000
		Intangible Assets	\$25,821,000,000
		Total Liabilities	\$26,339,000,000
		Shares Outstanding (Diluted Average)	930,500,000





**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**
- [Johnson Controls International PLC Valuation – March 2018 \\$JCI](#)
  - [Johnson Controls Inc Valuation – July 2016 \\$JCI](#)
  - [28 Companies in the Spotlight This Week – 2/28/15](#)
  - [Johnson Controls Inc. Annual Valuation – 2015 \\$JCI](#)
  - [14 Companies in the Spotlight This Week – 2/22/14](#)

- Other ModernGraham posts about related companies**
- [Flowserve Corp Valuation – January 2019 \\$FLS](#)
  - [Home Depot Inc Valuation – November 2018 \\$HD](#)
  - [Cavco Industries Inc Valuation – September 2018 \\$CVCO](#)
  - [LGI Homes Inc Valuation – September 2018 \\$LGIH](#)
  - [Stantec Inc Valuation – August 2018 \\$TSE-STN](#)
  - [Simpson Manufacturing Co Inc Valuation – August 2018 \\$SSD](#)
  - [KBR Inc Valuation – August 2018 \\$KBR](#)
  - [KB Home Valuation – August 2018 \\$KBH](#)
  - [SNC-Lavalin Group Inc Valuation – August 2018 \\$TSE:SNC](#)
  - [Stella-Jones Inc Valuation – July 2018 \\$TSE-SJ](#)