

ModernGraham Valuation

Company Name:

L3 Technologies Inc

Company Ticker LLL

Date of Analysis

1/24/2019



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	\$14,315,953,468	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.96	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	20.03%	Fail
5. Earnings Growth	PEmg < 20	21.88	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.53	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	1.96	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.53	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		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$8.31
MG Growth Estimate	0.42%
MG Value	\$77.57
MG Value based on 3% Growth	\$120.44
MG Value based on 0% Growth	\$70.60
Market Implied Growth Rate	6.69%

MG Opinion

Current Price	\$181.70
% of Intrinsic Value	234.24%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$38.26
Graham Number	\$134.83
PEmg	21.88
Current Ratio	1.96
PB Ratio	2.53
Current Dividend	\$3.00
Dividend Yield	1.65%
Number of Consecutive Years of Dividend Growth	14

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	\$8.31
Dec2017	\$12.38	Dec2017	\$6.20
Dec2016	\$8.51	Dec2016	\$5.36
Dec2015	\$9.01	Dec2015	\$4.35
Dec2014	-\$2.97	Dec2014	\$8.08
Dec2013	\$7.56	Dec2013	\$8.31
Dec2012	\$8.24	Dec2012	\$8.26
Dec2011	\$8.03	Dec2011	\$8.15
Dec2010	\$9.05	Dec2010	\$7.38
Dec2009	\$8.25	Dec2009	\$6.60
Dec2008	\$7.61	Dec2008	\$5.75
Dec2007	\$7.59	Dec2007	\$4.58
Dec2006	\$5.98	Dec2006	\$3.67
Dec2005	\$4.22	Dec2005	\$3.17
Dec2004	\$4.20	Dec2004	\$2.47
Dec2003	\$3.33	Dec2003	\$1.90
Dec2002	\$2.62	Dec2002	\$1.43
Dec2001	\$1.93	Balance Sheet Information	
Dec2000	\$1.47	9/1/2018	
Dec1999	\$1.19	Total Current Assets	\$4,435,000,000
Dec1998	\$0.88	Total Current Liabilities	\$2,260,000,000
	\$0.63	Long-Term Debt	\$3,320,000,000
		Total Assets	\$13,184,000,000
		Intangible Assets	\$7,248,000,000
		Total Liabilities	\$7,473,000,000
		Shares Outstanding (Diluted Average)	79,400,000





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.

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[Axon Enterprises Inc Valuation – October 2018 \\$AAXN](#)
[Cubic Corp Valuation – September 2018 \\$CUB](#)
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