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	
5. Earnings Growth	beginning and end	20.03% Fail
Moderate PEmg Ratio	PEmg < 20	21.88 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.53 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	1.96	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		Pass
		_		

\$181.70

234.24%

Score

Suitability

MG Opinion

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%

% of Intrinsic Value

Opinion Overvalued MG Grade

Stage 3: Information for Further Research

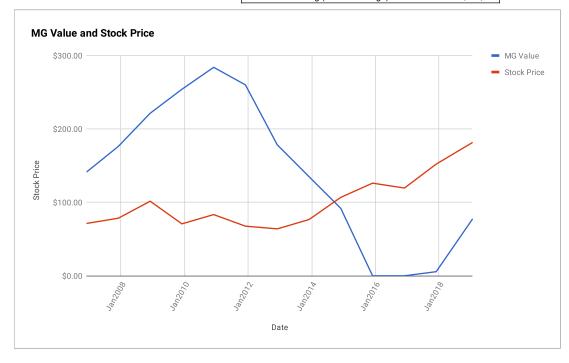
Current Price

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	#40.20	Next Fiscal Year Estimate	#0.2
Estimate	•		\$8.3
Dec2017	\$8.51	Dec2017	\$6.2
Dec2016	\$9.01	Dec2016	\$5.3
Dec2015	-\$2.97	Dec2015	\$4.3
Dec2014	\$7.56	Dec2014	\$8.0
Dec2013	\$8.24	Dec2013	\$8.3
Dec2012	\$8.03	Dec2012	\$8.2
Dec2011	\$9.05	Dec2011	\$8.1
Dec2010	\$8.25	Dec2010	\$7.3
Dec2009	\$7.61	Dec2009	\$6.6
Dec2008	\$7.59	Dec2008	\$5.7
Dec2007	\$5.98	Dec2007	\$4.5
Dec2006	\$4.22	Dec2006	\$3.6
Dec2005	\$4.20	Dec2005	\$3.1
Dec2004	\$3.33	Dec2004	\$2.4
Dec2003	\$2.62	Dec2003	\$1.9
Dec2002	\$1.93	Dec2002	\$1.4
Dec2001	\$1.47	Balance Sheet Information	9/1/201
Dec2000	\$1.19	Total Current Assets	\$4,435,000,00
Dec1999	\$0.88	Total Current Liabilities	\$2,260,000,00
Dec1998	\$0.63	Long-Term Debt	\$3,320,000,00
		Total Assets	\$13,184,000,00
		Intangible Assets	\$7,248,000,00
		Total Liabilities	\$7,473,000,00
		Shares Outstanding (Diluted Average)	79,400,00





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 <u>L3 Technologies Inc Valuation – March 2018 \$LLL</u>

<u>L-3 Communications Holdings Inc Valuation – July 2016 \$LLL</u>

 $\underline{47\ Companies\ in\ the\ Spotlight\ This\ Week-5/16/15}$

L3 Communications Holdings Inc. Quarterly Valuation - May 2015 \$LLL

34 Companies in the Spotlight This Week – 2/7/15

Other ModernGraham posts about related companies Textron Inc Valuation - January 2019 \$TXT

<u>Lockheed Martin Corp Valuation – January 2019 \$LMT</u>
<u>United Technologies Corp Valuation – November 2018 \$UTX</u>

Boeing Co Valuation - November 2018 \$BA

Axon Enterprises Inc Valuation - October 2018 \$AAXN

<u>Cubic Corp Valuation – September 2018 \$CUB</u>

KLX Inc Valuation - August 2018 \$KLXI

Kaman Corp Valuation - August 2018 \$KAMN

Raytheon Co Valuation - June 2018 \$RTN

General Dynamics Corp Valuation – June 2018 \$GD