

ModernGraham Valuation

United Continental
Holdings Inc



Company Name:

Company Ticker UAL

Date of Analysis

1/10/2019

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	\$21,767,148,793	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.63	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-2302.04%	Fail
6. Moderate PEmg Ratio	PEmg < 20	9.29	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.31	Pass

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	0.63	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.44	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$8.60
MG Growth Estimate	15.00%
MG Value	\$331.23
MG Value based on 3% Growth	\$124.75
MG Value based on 0% Growth	\$73.13
Market Implied Growth Rate	0.39%

MG Opinion

Current Price	\$79.89
% of Intrinsic Value	24.12%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

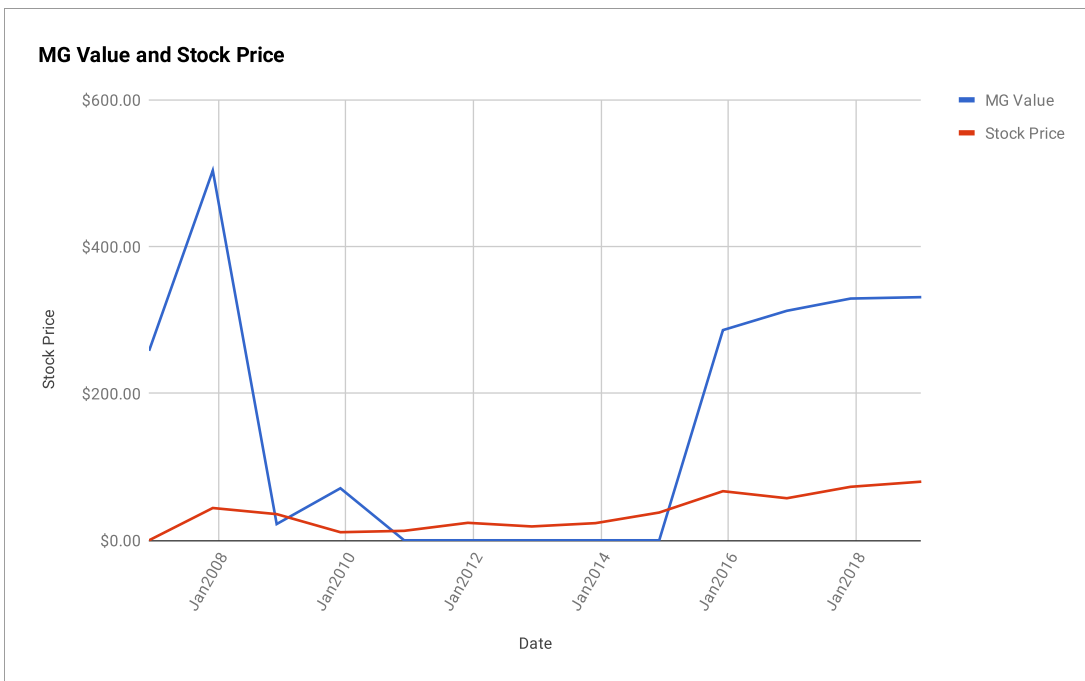
Net Current Asset Value (NCAV)	-\$97.58
Graham Number	\$72.96
PEmg	9.29
Current Ratio	0.63
PB Ratio	2.31
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

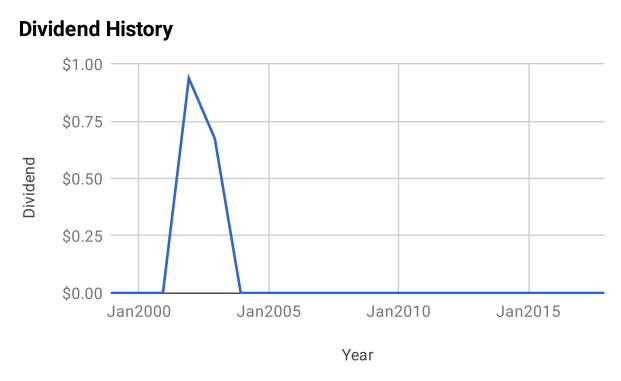
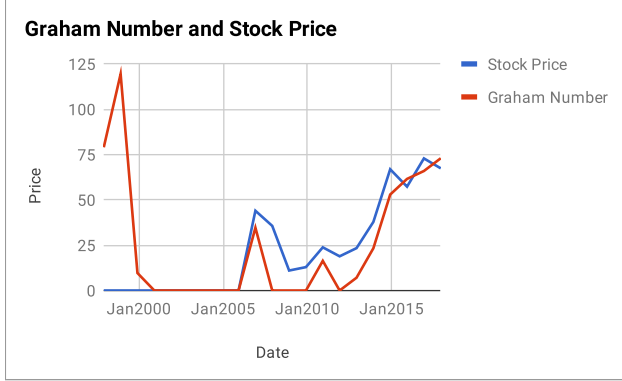
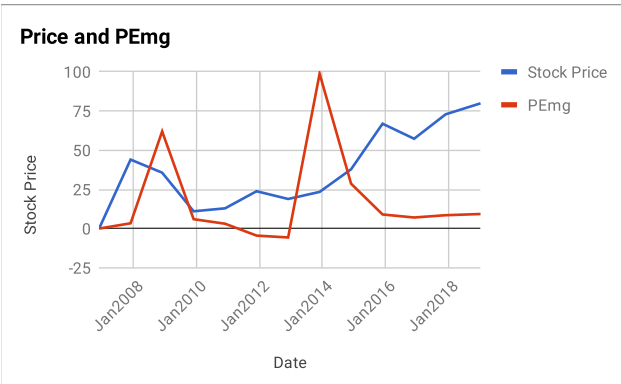
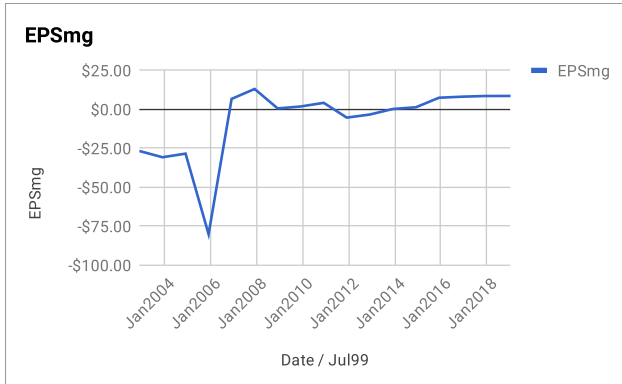
Useful Links:

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

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

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.71	Next Fiscal Year Estimate	\$8.60
Dec2017	\$7.02	Dec2017	\$8.55
Dec2016	\$6.85	Dec2016	\$8.12
Dec2015	\$19.47	Dec2015	\$7.44
Dec2014	\$2.93	Dec2014	\$1.32
Dec2013	\$1.53	Dec2013	\$0.24
Dec2012	-\$2.18	Dec2012	-\$3.32
Dec2011	\$2.26	Dec2011	-\$5.32
Dec2010	\$1.08	Dec2010	\$4.18
Dec2009	-\$4.32	Dec2009	\$1.84
Dec2008	-\$42.59	Dec2008	\$0.58
Dec2007	\$2.79	Dec2007	\$13.08
Dec2006	\$196.75	Dec2006	\$6.70
Dec2005	-\$182.29	Dec2005	-\$80.11
Dec2004	-\$15.25	Dec2004	-\$28.43
Dec2003	-\$27.36	Dec2003	-\$30.74
Dec2002	-\$53.55	Dec2002	-\$26.74
Dec2001	-\$40.04	Balance Sheet Information 9/1/2018	
Dec2000	\$0.04	Total Current Assets	\$8,671,000,000
Dec1999	\$9.94	Total Current Liabilities	\$13,684,000,000
Dec1998	\$6.83	Long-Term Debt	\$12,218,000,000
		Total Assets	\$44,837,000,000
		Intangible Assets	\$7,905,000,000
		Total Liabilities	\$35,368,000,000
		Shares Outstanding (Diluted Average)	273,600,000





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 Continental Holdings Inc Valuation – Initial Coverage \\$UAL](#)

Other ModernGraham posts about related companies [JetBlue Airways Corp Valuation – August 2018 \\$JBLU](#)
[SkyWest Inc Valuation – July 2018 \\$SKYW](#)
[American Airlines Group Inc Valuation – May 2018 \\$AAL](#)
[Southwest Airlines Co Valuation – May 2018 \\$LUV](#)
[Alaska Air Group Inc Valuation – May 2018 \\$ALK](#)
[Delta Air Lines Inc Valuation – March 2018 \\$DAL](#)
[United Continental Holdings Inc Valuation – Initial Coverage \\$UAL](#)
[American Airlines Group Inc Valuation – February 2017 \\$AAL](#)
[Southwest Airlines Co Valuation – February 2017 \\$LUV](#)
[JetBlue Airways Corporation Valuation – Initial Coverage \\$JBLU](#)