

ModernGraham Valuation

Company Name:

United Rentals, Inc.

Company Ticker URI

Date of Analysis

4/3/2019



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	\$9,547,461,565	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.83	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	2565.90%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	8.87	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.90	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	0.83	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-30.55	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	\$13.67
MG Growth Estimate	15.00%
MG Value	\$526.14
MG Value based on 3% Growth	\$198.16
MG Value based on 0% Growth	\$116.16
Market Implied Growth Rate	0.18%

MG Opinion

Current Price	\$121.17
% of Intrinsic Value	23.03%
Opinion	Undervalued
MG Grade	C+

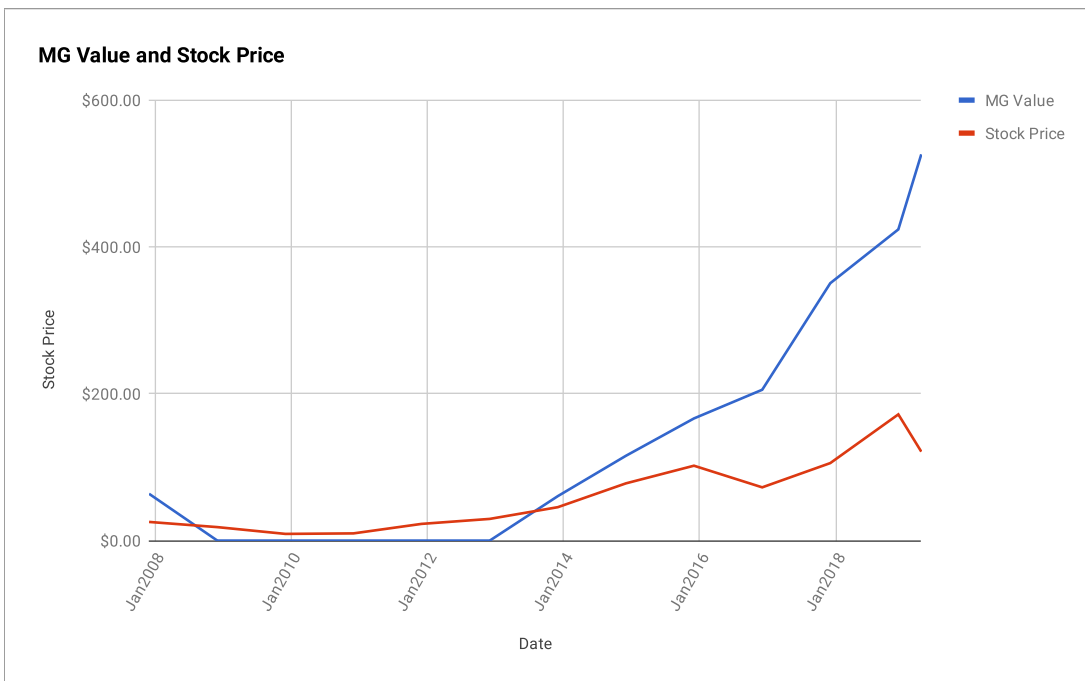
Stage 3: Information for Further Research

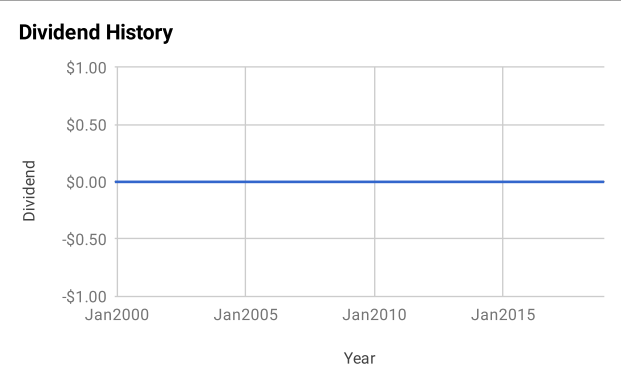
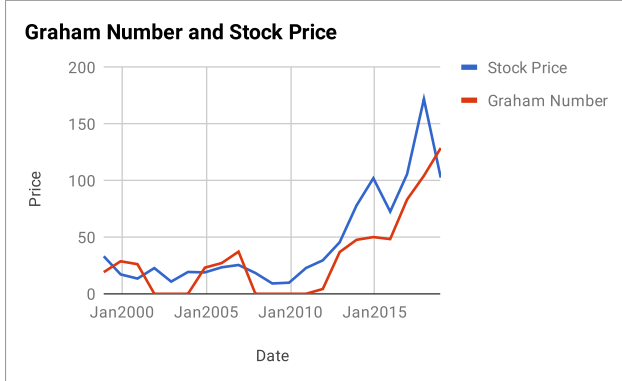
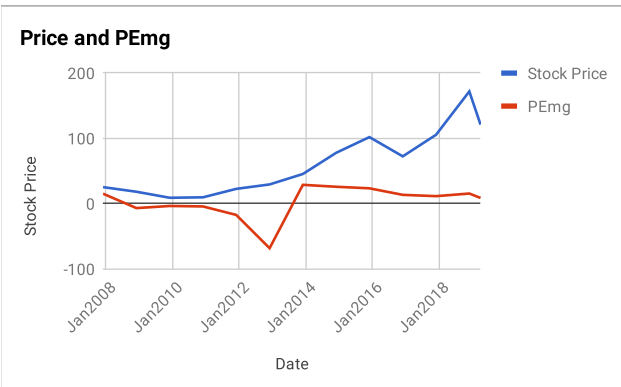
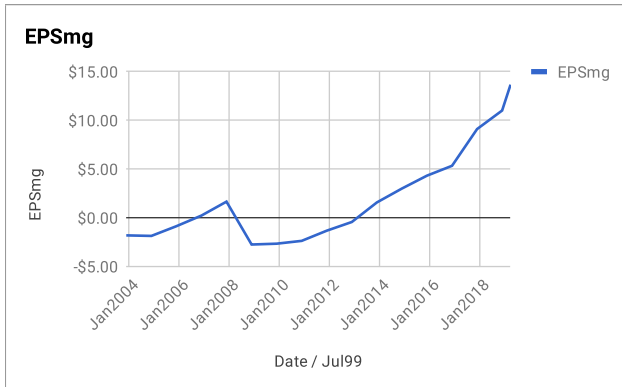
Net Current Asset Value (NCAV)	-\$159.15
Graham Number	\$128.67
PEmg	8.87
Current Ratio	0.83
PB Ratio	2.90
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$17.27	Next Fiscal Year Estimate	\$13.67
Dec2018	\$13.12	Dec2018	\$11.01
Dec2017	\$15.73	Dec2017	\$9.11
Dec2016	\$6.45	Dec2016	\$5.34
Dec2015	\$6.07	Dec2015	\$4.32
Dec2014	\$5.15	Dec2014	\$3.00
Dec2013	\$3.64	Dec2013	\$1.57
Dec2012	\$0.79	Dec2012	-\$0.43
Dec2011	\$1.38	Dec2011	-\$1.33
Dec2010	-\$0.44	Dec2010	-\$2.37
Dec2009	-\$1.02	Dec2009	-\$2.66
Dec2008	-\$12.62	Dec2008	-\$2.75
Dec2007	\$3.25	Dec2007	\$1.66
Dec2006	\$2.06	Dec2006	\$0.23
Dec2005	\$1.80	Dec2005	-\$0.86
Dec2004	-\$0.88	Dec2004	-\$1.86
Dec2003	-\$3.29	Dec2003	-\$1.81
Dec2002	-\$4.88	Balance Sheet Information	
Dec2001	\$1.18	12/1/2018	
Dec2000	\$1.89	Total Current Assets	\$1,761,000,000
Dec1999	\$1.53	Total Current Liabilities	\$2,116,000,000
		Long-Term Debt	\$10,844,000,000
		Total Assets	\$18,133,000,000
		Intangible Assets	\$6,142,000,000
		Total Liabilities	\$14,730,000,000
		Shares Outstanding (Diluted Average)	81,487,000





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 Rentals Inc Valuation – June 2018 \\$URI](#)
- [United Rentals Inc Valuation – September 2017 \\$URI](#)
- [United Rentals Inc Valuation – August 2016 \\$URI](#)
- [United Rentals Inc. Analysis – Initial Coverage \\$URI](#)

Other ModernGraham posts about related companies

- [Verisk Analytics Inc Valuation – March 2019 #VRSK](#)
- [Global Payments Inc Valuation – March 2019 #GPN](#)
- [Robert Half International Inc Valuation – March 2019 #RHI](#)
- [Alliance Data Systems Corp Valuation – March 2019 #ADS](#)
- [IHS Markit Ltd Valuation – February 2019 \\$INFO](#)
- [Automatic Data Processing Inc Valuation – February 2019 \\$ADP](#)
- [Fiserv Inc Valuation – February 2019 \\$FISV](#)
- [Rollins Inc Valuation – February 2019 \\$ROL](#)
- [Iron Mountain Inc Valuation – February 2019 \\$IRM](#)
- [Cintas Corp Valuation – February 2019 \\$CTAS](#)