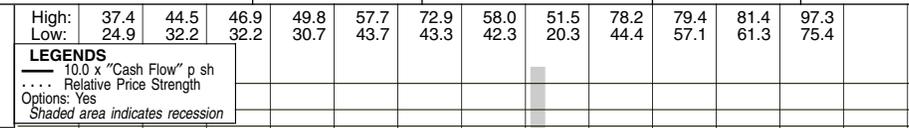


# TEXTRON, INC. NYSE:TXT

RECENT PRICE **76.44** P/E RATIO **14.8** (Trailing: 16.7; Median: 17.0) RELATIVE P/E RATIO **0.82** DIV'D YLD **0.1%**

**VALUE LINE**

**TIMELINESS** 3 Lowered 10/25/24  
**SAFETY** 3 Lowered 1/23/09  
**TECHNICAL** 2 Raised 12/20/24  
**BETA** 1.35 (1.00 = Market)

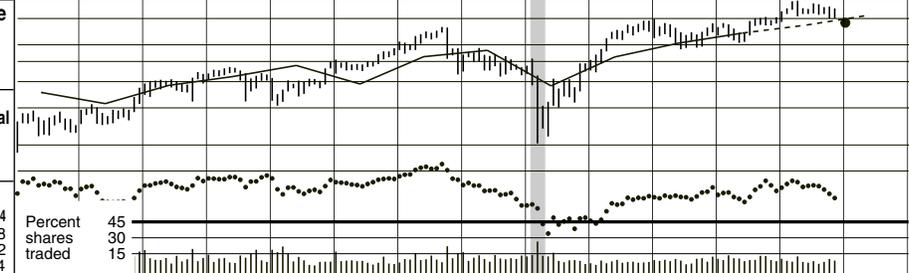


High: 37.4, 44.5, 46.9, 49.8, 57.7, 72.9, 58.0, 51.5, 78.2, 79.4, 81.4, 97.3  
 Low: 24.9, 32.2, 32.2, 30.7, 43.7, 43.3, 42.3, 20.3, 44.4, 57.1, 61.3, 75.4

**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$65-\$126 \$96 (25%)

**2027-29 PROJECTIONS**  
 High Price Gain Ann'l Total  
 Low 150 (+95%) 19%  
 100 (+30%) 7%

**Institutional Decisions**  
 10/2024 20/2024 30/2024  
 to Buy 348 287 288  
 to Sell 266 350 302  
 Hld's(000) 162868 160323 173544



Target Price Range  
 2027 2028 2029  
 160  
 120  
 100  
 80  
 60  
 50  
 40  
 30  
 20  
 15

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29	
58.86	38.56	38.18	40.43	45.11	42.91	50.13	48.95	51.01	54.30	59.30	59.79	51.45	57.09	62.41	70.93	74.95	83.50	Sales per sh	113.80	
4.92	2.09	2.26	2.89	3.55	3.14	3.84	4.23	4.78	3.90	5.26	5.64	3.82	5.25	6.11	6.83	6.95	8.35	"Cash Flow" per sh	11.05	
3.17	.61	.76	1.31	1.97	1.75	2.15	2.50	3.09	2.15	3.18	3.75	2.07	3.30	4.01	4.57	4.75	6.00	Earnings per sh <sup>A</sup>	8.40	
.92	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	Div'ds Decl'd per sh <sup>B</sup>	.08
2.27	.87	.98	1.52	1.77	1.57	1.55	1.53	1.65	1.62	1.57	1.49	1.40	1.73	1.72	2.08	2.70	2.90	Cap'l Spending per sh	3.95	
9.77	10.38	10.78	9.84	11.03	15.54	15.43	18.10	20.62	21.60	22.04	24.21	25.81	31.42	34.50	36.22	41.30	47.05	Book Value per sh <sup>C</sup>	70.40	
242.04	272.30	275.70	278.90	271.26	282.06	276.83	274.23	270.29	261.47	235.60	227.96	226.44	216.90	206.20	192.90	185.00	180.00	Common Shs Outst'g <sup>D</sup>	165.00	
13.4	22.0	27.2	16.8	12.8	16.4	18.0	17.1	12.6	23.2	19.4	13.2	18.0	19.7	16.7	15.9	<b>Bold figures are Value Line estimates</b>		Avg Ann'l P/E Ratio	15.0	
.81	1.47	1.73	1.05	.81	.92	.95	.86	.66	1.17	1.05	.70	.92	1.06	.96	.89			Relative P/E Ratio	.85	
2.2%	6%	4%	4%	3%	3%	2%	2%	2%	2%	1%	2%	2%	1%	1%	1%			Avg Ann'l Div'd Yield	1.1%	

**CAPITAL STRUCTURE as of 9/28/24**  
 Total Debt \$3241 mill. Due in 5 Yrs \$1.8 bill.  
 LT Debt \$2884 mill. LT Interest \$77 mill.  
 (LT interest earned: 15.1x) (31% of Cap'l)

**Leases, Uncapitalized** Annual rentals \$69 mill.  
**Pension Assets** \$8.4 bill. **Oblig.** \$7.3 bill.

**Pfd Stock** None

**Common Stock** 185,511,585 shs.  
 As of 10/11/24  
**MARKET CAP: \$14.2 billion (Large Cap)**

13878	13423	13788	14198	13972	13630	11651	12382	12869	13683	13865	15025	Sales (\$mill)	18775
11.2%	11.9%	10.9%	10.7%	11.0%	10.9%	8.2%	10.1%	9.9%	10.6%	10.5%	11.5%	Operating Margin	11.5%
459.0	461.0	449.0	447.0	437.0	416.0	391.0	390.0	397.0	395.0	410	425	Depreciation (\$mill)	435
605.0	698.0	843.0	572.0	803.0	870.0	475.0	748.0	862.0	922.0	880	1080	Net Profit (\$mill)	1390
29.1%	28.1%	3.8%	24.9%	14.6%	14.2%	1.9%	14.4%	15.2%	15.2%	13.5%	14.0%	Income Tax Rate	14.0%
4.4%	5.2%	6.1%	4.0%	5.7%	6.4%	4.1%	6.0%	6.7%	6.7%	6.3%	7.2%	Net Profit Margin	7.4%
2635.0	2686.0	3160.0	3367.0	3108.0	3219.0	4126.0	4110.0	3731.0	3382.0	5720	6670	Working Cap'l (\$mill)	9220
3866.0	3348.0	3317.0	3898.0	3526.0	3249.0	3860.0	3761.0	3175.0	3517.0	3000	3000	Long-Term Debt (\$mill) <sup>E</sup>	3000
4272.0	4964.0	5574.0	5647.0	5192.0	5518.0	5845.0	6815.0	7113.0	6987.0	7640	8475	Shr. Equity (\$mill)	11620
8.6%	9.4%	10.5%	6.9%	10.2%	10.9%	5.7%	7.7%	8.9%	9.1%	8.5%	9.5%	Return on Total Cap'l	9.5%
14.2%	14.1%	15.1%	10.1%	15.5%	15.8%	8.1%	11.0%	12.1%	13.2%	11.5%	13.0%	Return on Shr. Equity	12.0%
13.5%	13.6%	14.7%	9.8%	15.1%	15.4%	7.8%	10.7%	11.9%	13.0%	11.5%	12.5%	Retained to Com Eq	12.0%
5%	3%	3%	4%	2%	2%	4%	2%	2%	2%	2%	2%	All Div'ds to Net Prof	1%

CURRENT POSITION	2022	2023	9/28/24
Cash Assets	1963	2121	1289
Receivables	855	868	888
Inventory	3550	3914	4410
Other	1033	857	750
Current Assets	7401	7760	7337
Accts Payable	1018	1023	1097
Debt Due	7	357	357
Other	2645	2998	2905
Current Liab.	3670	4378	4359

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Sales	4.0%	3.0%	9.5%
"Cash Flow"	6.5%	5.5%	10.0%
Earnings	9.0%	7.0%	13.0%
Dividends	-	-	Nil
Book Value	11.0%	9.5%	12.0%

Cal-ender	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2021	2879	3191	2990	3322	12382
2022	3001	3154	3078	3636	12869
2023	3024	3424	3343	3892	13683
2024	3135	3527	3427	3776	13865
2025	3325	3625	3875	4200	15025

Cal-ender	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2021	.70	.81	.85	.94	3.30
2022	.88	1.00	1.06	1.07	4.01
2023	.92	1.30	1.35	1.01	4.57
2024	1.03	1.35	1.18	1.19	4.75
2025	1.25	1.55	1.70	1.50	6.00

Cal-ender	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2020	.02	.02	.02	.02	.08
2021	.02	.02	.02	.02	.08
2022	.02	.02	.02	.02	.08
2023	.02	.02	.02	.02	.08
2024	.02	.02	.02	.02	.08

**BUSINESS:** Textron, Inc. operates in five segments: Textron Aviation (39% of total revenues in '23); Bell (23%); Textron Systems (9%); Industrial (28%); and Finance (1%). Products include business jets, piston engine planes, helicopters, armored vehicles, advanced military systems, aircraft engines, fuel systems, powered tools, and golf carts. Foreign sales represented 32% of 2023 com-

**A strike negatively impacted Textron's third and fourth quarters.** The four-week production interruption caused deliveries of planes to be delayed. The labor action cut revenues at the Aviation unit by \$50 million and profits by \$30 million in just the third quarter. Jet deliveries rose to 41 from 39 compared to last year at the division, where revenues were essentially flat with the year-ago period. The work stoppage occurred at the end of a contract and has been resolved and the union involved ratified a new five-year agreement on October 20th. We have cut our 2024 estimate from \$5.20 per share to \$4.75 due to the work disruption. Our 2025 forecast remains unchanged.

**The Bell division saw strong growth.** Revenues at the unit were up 23%, mainly due to progress on the Future Long Range Assault Aircraft (FLRAA) program. Remember that Textron was awarded this extremely large, multi-year contract to replace the aging BlackHawk helicopter. The program reached milestone B, which allows the company to move to the Engineering and Manufacturing phase of the aircraft. Crossing that threshold also

panywide sales total. Has about 35,000 employees. Officers & directors own 1.8% of common stock; Vanguard, 11.7%; BlackRock, Inc., 8.7%; T. Rowe Price Associates, 7.0% (3/24 proxy). Chairman, President, & CEO: Scott C. Donnelly, Incorporated: Delaware. Address: 40 Westminster Street, Providence, Rhode Island 02903. Telephone: 401-421-2800. Internet: www.textron.com.

added \$2.3 billion to the unit's backlog, which now stands at \$6.5 billion. On the commercial side, 44 helicopters were delivered up from 23 last year.

**Though neutrally ranked for the year ahead, we think long term investors may be well rewarded by these shares.** The jet business remains in solid shape with a backlog that requires new buyers to wait more than a year for a plane to be delivered. A large agreement with NetJets also is a nice tailwind. The FLRAA program will also be a large opportunity over time. The shares have pulled back more than 10% since our last report three months ago on the disappointing financial results related to the strike, and softness in the smaller Systems business, which makes expensive leisure products like snow mobiles and jet skis. We think growth opportunities in both aircraft businesses (jets and helicopters) over the long term will dwarf the near-term challenges. As such, patient investors may want to use the pullback to establish positions for attractive capital appreciation potential out to 2027-2029.

*Tom Mulle, CFA* *January 3, 2025*

(A) Year ends Sat. closest to Dec. 31st. Diluted eps. May not sum due to changes in shares outstanding. Excl. nonrecr. gains/(losses): '08, (\$1.79); '09, (89c); '10, (46c) '11, (52c); '20, (72c). Excl. disc. ops.: '05, (\$1.15); '08, 57c; '09, 16c; '10, (2c); '12, 3c. Next eqs. report due in late Jan. (B) Div'ds hist. paid in early Jan., Apr., Jul., and Oct. ■ Div'd reinvest-ment plan available. (C) Includes intang. At 12/30/23, \$2.3 billion, \$11.93/share. (D) In millions. (E) Finance results excl. through 2008.