



Company Name: RAYTHEON TECHNOLOGIES



Assumptions	
Date	March 3, 2022
Discount Rate	7.65%
Tax Rate	21%
EBITDA Growth Rate	11.72%
52-Week Low	72.74
52-Week High	104.34
Current Price	99.83
Price Target	119.51
Upside	19.71%

In Millions of USD

Year	TTM	2022	2023	2024	2025	2026
EBITDA	8,411	9,397	10,498	11,728	13,103	14,639
Depreciation & Amortization	(2,439)	(2,439)	(2,439)	(2,439)	(2,439)	(2,439)
EBIT	5,972	6,958	8,059	9,289	10,664	12,200
Check	5,972					
Variance						
Tax	(786)	(1,461)	(1,692)	(1,951)	(2,239)	(2,562)
EBIT (1-t)	5,186	5,497	6,367	7,339	8,425	9,638
Add Back Depreciation	2,439	2,439	2,439	2,439	2,439	2,439
NWC	-	-	-	-	-	-
Capital Expenditures	(4,568)	(4,568)	(4,568)	(4,568)	(4,568)	(4,568)
Unlevered Free Cash Flow	3,057	3,368	4,238	5,210	6,296	7,509
PV Unlevered Free Cash Flow		3,128	3,657	4,177	4,689	5,195
	20,846					

Terminal value - Growing perpetuity

Long term growth rate	5%
2025 FCF x (1+g)	7,884
Terminal value in 2025	298,061
PV Terminal Value	206,221
Enterprise Value	227,067

Terminal value - EBITDA Multiple

EBITDA multiple	15.22
Terminal value in 2025	222,801
PV Terminal Value	154,150
Enterprise Value	174,996
Total Shares Outstanding	1,492

Net Debt

Total Debt	31,485
Cash and Short Term Investments	8,797
Net Debt	22,688

Share Price Target

Growing Perpetuity	136.95
EBITDA Multiple	102.06

Enterprise Value

Market Cap	148,979
Total Debt	31,485
Less Cash	(8,797)
Enterprise Value	171,667

Ratios

PE Ratio (TTM)	39.11
Price / Sales (TTM)	2.31
EV / Sales (TTM)	2.67
EV / EBITDA (TTM)	20.41
EV / EBITDA (2022)	18.27