



Company	Ticker	Sector	Industry
Textron Inc.	TXT-US	Industrials	Aerospace & Defense

Business Description

Textron, Inc. is a multi-industry company, which leverages a global network of aircraft, defense, industrial, and finance businesses to provide customers innovative solutions and services. The company operates its business through the following segments: Textron Aviation, Bell, Textron Systems, Industrial, and Finance. The Textron Aviation segment manufactures, sells, and services Beechcraft and Cessna aircraft. The Bell segment supplies military and commercial helicopters, tiltrotor aircraft, and related spare parts. The Textron Systems segment product lines consist of unmanned aircraft systems, land and marine systems, weapons and sensors, and a variety of defense and aviation mission support products and services. The Industrial segment designs and manufactures a variety of products under the Golf, Turf Care and Light Transportation Vehicles, Fuel Systems and Functional Components and Powered Tools, and Testing and Measurement Equipment product lines. The Finance segment provides finances primarily to purchasers of new Cessna aircraft and Bell helicopters. The company was founded by Royal Little in 1923 and is headquartered in Providence, RI.

Price Chart

Key Info & Metrics



Empirical Research Rank:	5
Date Purchased:	01/13/2021
Price:	\$75.03
52-Week Range:	\$57.93 - \$76.01
Dividend Yield:	0.11%
Market Cap (\$M):	\$15,664
Forward Price-to-Earnings:	15
Total Return	
Year-to-Date:	6.0%
1 Year:	11.3%
3 Year:	48.5%
5 Year:	30.6%

Investment Case - Updated: November 6, 2022

In 2020, Textron saw sales decline over 20 percent in its largest segment, as demand for business jets fell precipitously during the pandemic. Since then, Textron's aviation backlog has surpassed 2019 levels as pent-up demand, economic recovery, and less flexible commercial airline schedules support the return of private aviation. Incremental demand from high-net worth individuals flush with savings and stock-market gains could also increase ownership. Margins for this segment will also improve as greater aircraft utilization leads to more profitable aftermarket sales. Textron's rotorcraft business, Bell, will face pressure near-term as legacy military programs wind down. However, a potential future long-range assault aircraft design win to replace the Army's Black Hawk helicopters would yield an \$80 billion contract over 30 years. Volume, mix of aftermarket sales, and consistent aircraft launches contribute to improving profitability, while the drawdown of inventory should boost free cash flow and fuel potential acquisitions.

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