

ModernGraham Valuation

Company Name:

Parker-Hannifin Corp

Company Ticker PH

Date of Analysis

9/8/2015



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

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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$6.78
MG Growth Estimate	3.01%
MG Value	\$98.43
MG Value based on 3% Growth	\$98.32
MG Value based on 0% Growth	\$57.64
Market Implied Growth Rate	3.64%

MG Opinion

Current Price	\$107.01
% of Intrinsic Value	108.72%
Opinion	Fairly Valued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$11.44
Graham Number	\$73.71
PEmg	15.78
Current Ratio	2.38
PB Ratio	2.95
Dividend Yield	2.21%
Number of Consecutive Years of Dividend Growth	20

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	\$6.65	Next Fiscal Year Estimate	\$6.78
Jun15	\$6.97	Jun15	\$6.83
Jun14	\$6.87	Jun14	\$6.53
Jun13	\$6.26	Jun13	\$6.01
Jun12	\$7.45	Jun12	\$5.65
Jun11	\$6.37	Jun11	\$4.70
Jun10	\$3.40	Jun10	\$3.94
Jun09	\$3.13	Jun09	\$4.17
Jun08	\$5.53	Jun08	\$4.41
Jun07	\$4.67	Jun07	\$3.55
Jun06	\$3.71	Jun06	\$2.72
Jun05	\$3.35	Jun05	\$2.09
Jun04	\$1.94	Jun04	\$1.50
Jun03	\$1.12	Jun03	\$1.39
Jun02	\$0.75	Jun02	\$1.59
Jun01	\$1.97	Jun01	\$1.99
Jun00	\$2.21	Jun00	\$1.93
Jun99	\$1.89	Balance Sheet Information Jun15	
Jun98	\$1.90	Total Current Assets	\$5,583,092,000
Jun97	\$1.64	Total Current Liabilities	\$2,350,130,000
Jun96	\$1.44	Long-Term Debt	\$2,723,960,000
		Total Assets	\$12,295,040,000
		Intangible Assets	\$3,956,118,000
		Total Liabilities	\$7,190,750,000
		Shares Outstanding (Diluted Average)	140,567,000



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:

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company

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[The 8 Best Stocks For Value Investors This Week – 6/6/15](#)
[Parker Hannifin Corporation Analysis – June 2015 Update \\$PH](#)
[23 Companies in the Spotlight This Week – 3/9/15](#)
[Parker Hannifin Company Quarterly Valuation – March 2015 \\$PH](#)

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[Fastenal Company Analysis – August 2015 Update \\$FAST](#)
[A.O. Smith Corporation Analysis – Initial Coverage \\$AOS](#)
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