ModernGraham Valuation

Company Name:

Snap-on Incorporated



11/6/2015



Pass

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.

SNA

1.	. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$9,823,797,884 Pass
2.	. Sufficiently Strong Financial Condition	Current Ratio > 2	2.49 Pass
3.	. Earnings Stability	Positive EPS for 10 years prior	Pass
4.	. Dividend Record	Dividend Payments for 10 years prior	Pass
5	. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	137.63% Pass
6	. Moderate PEmg Ratio	PEmg < 20	25.06 Fail
7.	. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.23 Fail
Enterprising Investor; mu	ust pass 4 out of the following 5 tests, or be	e suitable for the Defensive Investor.	
1.	. Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.49 Pass
2.	. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.74 Pass
3.	. Earnings Stability	Positive EPS for 5 years prior	Pass
4.	. Dividend Record	Currently Pays Dividend	Pass

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4. Dividend Record	Currently Pays Dividend
5. Earnings Growth	EPSmg greater than 5 years ago

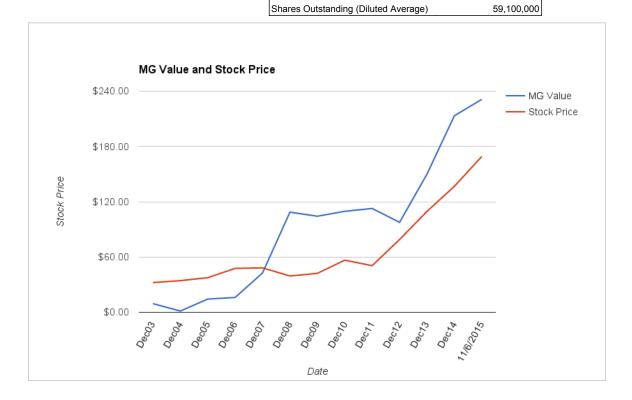
Suitability

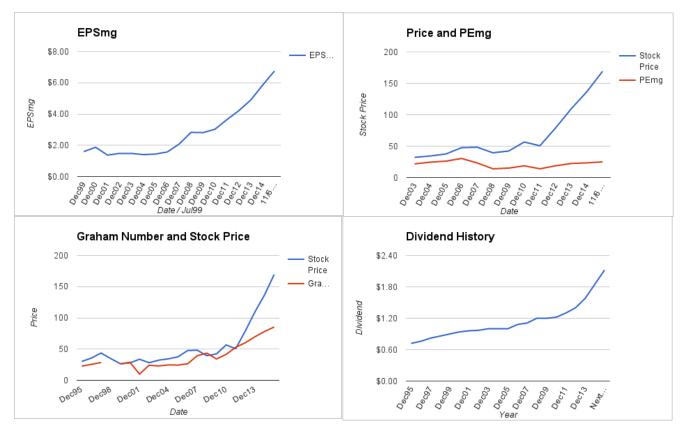
Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

	EPSmg	\$6.75	
	MG Growth Estimate	12.87%	
	MG Value	\$231.14	
	MG Value based on 3% Growth	\$97.88	
	MG Value based on 0% Growth	\$57.38	
	Market Implied Growth Rate	8.28%	
MG Opinion			
	Current Price	\$169.16	
	% of Intrinsic Value	73.19%	
	Opinion	Undervalued	
Stage 3: Infor	mation for Further Research		
	Net Current Asset Value (NCAV)	-\$3.00	
	Graham Number	\$85.34	
	PEmg	25.06	
	Current Ratio	2.49	
	PB Ratio	4.23	
	Dividend Yield	1.25%	
	Number of Consecutive Years of Dividend Growth	6	
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	\$7.96	Next Fiscal Year Estimate	\$f	6.75
Dec14	+·····	Dec14		5.84
Dec13		Dec13		4.89
Dec12		Dec12		4.21
Dec11		Dec11	•	3.63
Dec10		Dec10		3.02
Dec09		Dec09		2.81
Dec08		Dec08	•	2.82
Dec07		Dec07		2.08
Dec06		Dec06	•	1.57
Dec05		Dec05		1.44
Dec04	\$1.40	Dec04	\$1 \$1	1.40
Dec03	\$1.35	Dec03	\$1	1.48
Dec02	\$1.81	Dec02	\$1	1.48
Dec01	\$0.33	Dec01	\$1	1.37
Dec00	\$2.53	Dec00	\$1	1.87
Dec99	\$2.16	Dec99	\$1	1.59
Dec98	-\$0.08	Balance Sheet Information	Sep15	
Dec97	\$2.44	Total Current Assets	\$1,952,900,	000
Dec96	\$2.13	Total Current Liabilities	\$785,500,	000
Dec95	\$1.84	Long-Term Debt	\$864,100,	000
		Total Assets	\$4,491,400,	000
		Intangible Assets	\$994,100,	000
		Total Liabilities	\$2,130,400,	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	The Best Companies of the Machinery Industry – August 2015
	The 20 Best Stocks For Value Investors This Week – 8/15/15
	Snap-on Inc. Analysis – August 2015 Update \$SNA
	21 Companies in the Spotlight This Week – 5/9/15
	Snap-on Inc. Quarterly Valuation – May 2015 \$SNA
Other ModernGraham posts about related companies	Joy Global Inc. Valuation – November 2015 Update \$JOY
	Rockwell Automation Inc. Valuation – October 2015 Update \$ROK
	Paccar Inc. Analysis – October 2015 Update \$PCAR
	W.W. Grainger Inc. Analysis – October 2015 Update \$GWW
	My Personal Holdings: Deere & Company – October 2015 Update \$DE
	Allegion PLC Analysis – September 2015 Update \$ALLE

Parker Hannifin Corporation Analysis – September 2015 Update \$PH

Roper Technologies Inc. Analysis – September 2015 Update \$ROP

My Personal Holdings: Dover Corporation – September 2015 Update \$DOV

Xylem Inc. Analysis – August 2015 Update \$XYL