

ModernGraham Valuation

Company Name:

Snap-on Incorporated

Company Ticker

SNA

Date of Analysis

11/6/2015



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	\$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; 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	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
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

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: Information 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	\$6.75
Dec14	\$7.14	Dec14	\$5.84
Dec13	\$5.93	Dec13	\$4.89
Dec12	\$5.20	Dec12	\$4.21
Dec11	\$4.71	Dec11	\$3.63
Dec10	\$3.19	Dec10	\$3.02
Dec09	\$2.32	Dec09	\$2.81
Dec08	\$4.07	Dec08	\$2.82
Dec07	\$3.09	Dec07	\$2.08
Dec06	\$1.69	Dec06	\$1.57
Dec05	\$1.59	Dec05	\$1.44
Dec04	\$1.40	Dec04	\$1.40
Dec03	\$1.35	Dec03	\$1.48
Dec02	\$1.81	Dec02	\$1.48
Dec01	\$0.33	Dec01	\$1.37
Dec00	\$2.53	Dec00	\$1.87
Dec99	\$2.16	Dec99	\$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
		Shares Outstanding (Diluted Average)	59,100,000





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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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](#)

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[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](#)
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[Roper Technologies Inc. Analysis – September 2015 Update \\$ROP](#)
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