

ModernGraham Valuation

Company Name:

Cintas Corporation

Company Ticker CTAS

Date of Analysis

12/10/2015



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	\$9,885,795,620	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.81	Fail
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	83.74%	Pass
6. Moderate PEmg Ratio	PEmg < 20	27.44	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.57	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	1.81	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.36	Fail
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	\$3.34
MG Growth Estimate	12.46%
MG Value	\$111.71
MG Value based on 3% Growth	\$48.46
MG Value based on 0% Growth	\$28.41
Market Implied Growth Rate	9.47%

MG Opinion

Current Price	\$91.71
% of Intrinsic Value	82.09%
Opinion	Fairly Valued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$4.81
Graham Number	\$37.77
PEmg	27.44
Current Ratio	1.81
PB Ratio	5.57
Dividend Yield	0.93%
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	\$3.83	Next Fiscal Year Estimate	\$3.34
May15	\$3.63	May15	\$2.94
May14	\$3.05	May14	\$2.46
May13	\$2.52	May13	\$2.07
May12	\$2.27	May12	\$1.83
May11	\$1.68	May11	\$1.66
May10	\$1.40	May10	\$1.70
May09	\$1.48	May09	\$1.85
May08	\$2.15	May08	\$1.99
May07	\$2.09	May07	\$1.85
May06	\$1.92	May06	\$1.68
May05	\$1.69	May05	\$1.53
May04	\$1.54	May04	\$1.42
May03	\$1.45	May03	\$1.31
May02	\$1.36	May02	\$1.19
May01	\$1.30	May01	\$1.06
May00	\$1.14	May00	\$0.90
May99	\$0.82	Balance Sheet Information Aug15	
May98	\$0.82	Total Current Assets	\$1,733,952,000
May97	\$0.70	Total Current Liabilities	\$959,326,000
May96	\$0.59	Long-Term Debt	\$1,050,000,000
		Total Assets	\$4,122,949,000
		Intangible Assets	\$1,347,809,000
		Total Liabilities	\$2,274,280,000
		Shares Outstanding (Diluted Average)	112,229,000





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 Business Support Industry – November 2015](#)
- [Dividend Growth Stocks for the Intelligent Investor – November 2015](#)
- [Dividend Growth Stocks for the Intelligent Investor – October 2015](#)
- [Dividend Growth Stocks for the Intelligent Investor – September 2015](#)
- [19 Best Stocks For Value Investors This Week – 8/29/15](#)

Other ModernGraham posts about related companies

- [The Best Companies of the Business Support Industry – November 2015](#)
- [Paychex Inc. Valuation – November 2015 Update \\$PAYX](#)
- [Robert Half International Inc. Valuation – November 2015 Update \\$RHI](#)
- [Alliance Data Systems Corporation Analysis – October 2015 Update \\$ADS](#)
- [Automatic Data Processing Analysis – September 2015 Update \\$ADP](#)
- [Accenture PLC Analysis – September 2015 Update \\$ACN](#)
- [Dun & Bradstreet Corp. Analysis – September 2015 Update \\$DNB](#)
- [Cintas Corporation Analysis – August 2015 Update \\$CTAS](#)
- [Apollo Education Group Inc. Analysis – Initial Coverage \\$APOL](#)
- [Paychex Inc. Analysis – August 2015 Update \\$PAYX](#)