

# ModernGraham Valuation

## Company Name:

Company Ticker SWK

Date of Analysis

1/28/2016

Stanley Black &  
Decker, Inc.



## 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	\$14,369,780,186 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.25 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	20.62% Fail
6. Moderate PEmg Ratio	PEmg < 20	19.19 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.46 Pass

*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	1.25 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.52 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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.79
MG Growth Estimate	8.83%
<b>MG Value</b>	<b>\$125.20</b>
MG Value based on 3% Growth	\$69.39
MG Value based on 0% Growth	\$40.68
Market Implied Growth Rate	5.34%

### MG Opinion

Current Price	\$91.82
% of Intrinsic Value	73.34%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$39.52
Graham Number	\$68.32
PEmg	19.19
Current Ratio	1.25
PB Ratio	2.46
Dividend Yield	2.30%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.78	Next Fiscal Year Estimate	\$4.79
Dec2014	\$4.76	Dec2014	\$4.09
Dec2013	\$3.09	Dec2013	\$3.60
Dec2012	\$5.30	Dec2012	\$3.72
Dec2011	\$3.97	Dec2011	\$3.01
Dec2010	\$1.32	Dec2010	\$2.72
Dec2009	\$2.79	Dec2009	\$3.43
Dec2008	\$3.84	Dec2008	\$3.75
Dec2007	\$4.00	Dec2007	\$3.55
Dec2006	\$3.46	Dec2006	\$3.18
Dec2005	\$3.16	Dec2005	\$2.87
Dec2004	\$4.36	Dec2004	\$2.60
Dec2003	\$1.27	Dec2003	\$1.75
Dec2002	\$2.10	Dec2002	\$1.95
Dec2001	\$1.81	Dec2001	\$1.70
Dec2000	\$2.22	Dec2000	\$1.50
Dec1999	\$1.67	Dec1999	\$1.02
Dec1998	\$1.53	<b>Balance Sheet Information</b> <b>Sep2015</b>	
Dec1997	-\$0.47	Total Current Assets	\$4,273,300,000
Dec1996	\$1.09	Total Current Liabilities	\$3,422,300,000
Dec1995	\$0.00	Long-Term Debt	\$3,847,300,000
		Total Assets	\$15,870,900,000
		Intangible Assets	\$9,739,600,000
		Total Liabilities	\$10,231,900,000
		Shares Outstanding (Diluted Average)	150,781,000





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

[26 Companies in the Spotlight This Week – 12/13/14](#)

Other  
ModernGraham  
posts about related  
companies

[Paccar Inc Valuation – January 2016 Update \\$PCAR](#)  
[Xylem Inc Valuation – January 2016 Update \\$XYL](#)  
[Xylem Inc Valuation – January 2016 Update \\$XYL](#)  
[Roper Technologies Inc Valuation – January 2016 Update \\$ROP](#)  
[W W Grainger Inc Valuation – January 2016 Update \\$GWW](#)  
[Deere & Company Valuation – January 2016 Update \\$DE](#)  
[Cummins Inc Valuation – December 2015 Update \\$CMI](#)  
[Dover Corp Valuation – December 2015 Update \\$DOV](#)  
[Fastenal Co Valuation – November 2015 Update \\$FAST](#)  
[Pentair PLC Valuation – November 2015 Update \\$PNR](#)