# **ModernGraham Valuation**

### **Company Name:**

Stanley Black & Decker, Inc.



Company Ticker
Date of Analysis

1/28/2016

## 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.

5. Earnings Growth

SWK

1. Adequate S	Size of the Enterprise	Market Cap > \$2Bil	\$14,369,780,186 F	Pass
2. Sufficiently	Strong Financial Condition	Current Ratio > 2	1.25 F	Fail
3. Earnings S	tability	Positive EPS for 10 years prior	F	Pass
4. Dividend R	ecord	Dividend Payments for 10 years prior	F	Pass
		Increase of 33% in EPS in past 10		

Increase of 33% in EPS in past 10
years using 3 year averages at
beginning and end 20.62% Fail
PEmg < 20 19.19 Pass

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

Defensive No Enterprising No

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$4.79
MG Growth Estimate	8.83%
MG Value	\$125.20
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% Opinion Undervalued

### 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

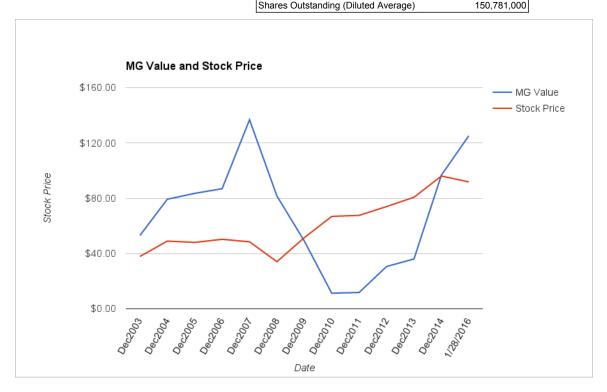
Useful Links: ModernGraham tagged articles Morningstar

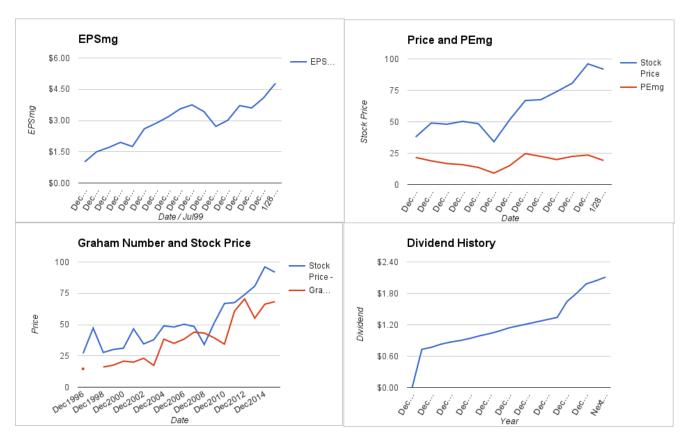
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

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	Balance Sheet Information	Sep2015
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  $\underline{\mbox{26 Companies in the Spotlight This Week-12/13/14}}$ 

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

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Deere & Company Valuation – January 2016 Update \$DE

Cummins Inc Valuation – December 2015 Update \$CMI

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Fastenal Co Valuation - November 2015 Update \$FAST

Pentair PLC Valuation – November 2015 Update \$PNR