

# ModernGraham Valuation

## Company Name:

Company Ticker TSCO  
Date of Analysis

Tractor Supply  
Company

5/12/2016



## 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.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$12,199,530,137	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.00	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	360.95%	Pass
6. Moderate PEmg Ratio	PEmg < 20	32.90	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	9.36	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	2.00	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.32	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.86
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$109.96</b>
MG Value based on 3% Growth	\$41.41
MG Value based on 0% Growth	\$24.28
Market Implied Growth Rate	12.20%

### MG Opinion

Current Price	\$93.97
% of Intrinsic Value	85.46%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.07
Graham Number	\$7.66
PEmg	32.90
Current Ratio	2.00
PB Ratio	9.36
Dividend Yield	1.79%
Number of Consecutive Years of Dividend Growth	1

### 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>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.26	Next Fiscal Year Estimate	\$2.86
Dec2015	\$3.00	Dec2015	\$2.53
Dec2014	\$2.66	Dec2014	\$2.16
Dec2013	\$2.32	Dec2013	\$1.78
Dec2012	\$1.90	Dec2012	\$1.40
Dec2011	\$1.51	Dec2011	\$1.07
Dec2010	\$1.13	Dec2010	\$0.81
Dec2009	\$0.79	Dec2009	\$0.64
Dec2008	\$0.55	Dec2008	\$0.55
Dec2007	\$0.60	Dec2007	\$0.53
Dec2006	\$0.56	Dec2006	\$0.47
Dec2005	\$0.52	Dec2005	\$0.39
Dec2004	\$0.39	Dec2004	\$0.31
Dec2003	\$0.35	Dec2003	\$0.24
Dec2002	\$0.25	Dec2002	\$0.18
Dec2001	\$0.18	Dec2001	\$0.14
Dec2000	\$0.12	Dec2000	\$0.11
Dec1999	\$0.13	<b>Balance Sheet Information</b> <b>Mar2016</b> Total Current Assets \$1,626,050,000 Total Current Liabilities \$813,397,000 Long-Term Debt \$260,402,000 Total Assets \$2,564,528,000 Intangible Assets \$10,258,000 Total Liabilities \$1,211,825,000 Shares Outstanding (Diluted Average) 134,709,000	
Dec1998	\$0.11		
Dec1997	\$0.08		
Dec1996	\$0.09		





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

[10 Best Stocks For Value Investors This Week – 10/31/15](#)  
[Tractor Supply Company Valuation – October 2015 Update \\$TSCO](#)  
[The Best Companies of the Retail Industry – August 2015](#)  
[The 16 Best Stocks For Value Investors This Week – 8/1/15](#)  
[Tractor Supply Company Analysis – Initial Coverage \\$TSCO](#)

Other  
ModernGraham  
posts about related  
companies

[Fossil Group Inc Stock Valuation – February 2016 \\$FOSL](#)  
[TJX Companies Inc Valuation – February 2016 Update \\$TJX](#)  
[Coach Inc Valuation – February 2016 Update \\$COH](#)  
[Tiffany & Company Valuation – February 2016 Update \\$TIF](#)  
[Urban Outfitters Inc Valuation – January 2016 Update \\$URBN](#)  
[TJX Companies Inc Valuation – February 2016 Update \\$TJX](#)  
[Coach Inc Valuation – February 2016 Update \\$COH](#)  
[Tiffany & Company Valuation – February 2016 Update \\$TIF](#)  
[Urban Outfitters Inc Valuation – January 2016 Update \\$URBN](#)  
[CVS Health Corp Valuation – December 2015 Update \\$CVS](#)