

# ModernGraham Valuation

Company Name:

Fastenal Company

Company Ticker FAST

Date of Analysis

7/7/2016



## 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	\$12,891,079,451	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.40	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	122.70%	Pass
6. Moderate PEmg Ratio	PEmg < 20	26.46	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.10	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	4.40	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.27	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	\$1.69
MG Growth Estimate	7.61%
<b>MG Value</b>	<b>\$40.08</b>
MG Value based on 3% Growth	\$24.51
MG Value based on 0% Growth	\$14.37
Market Implied Growth Rate	8.98%

### MG Opinion

Current Price	\$44.72
% of Intrinsic Value	111.59%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

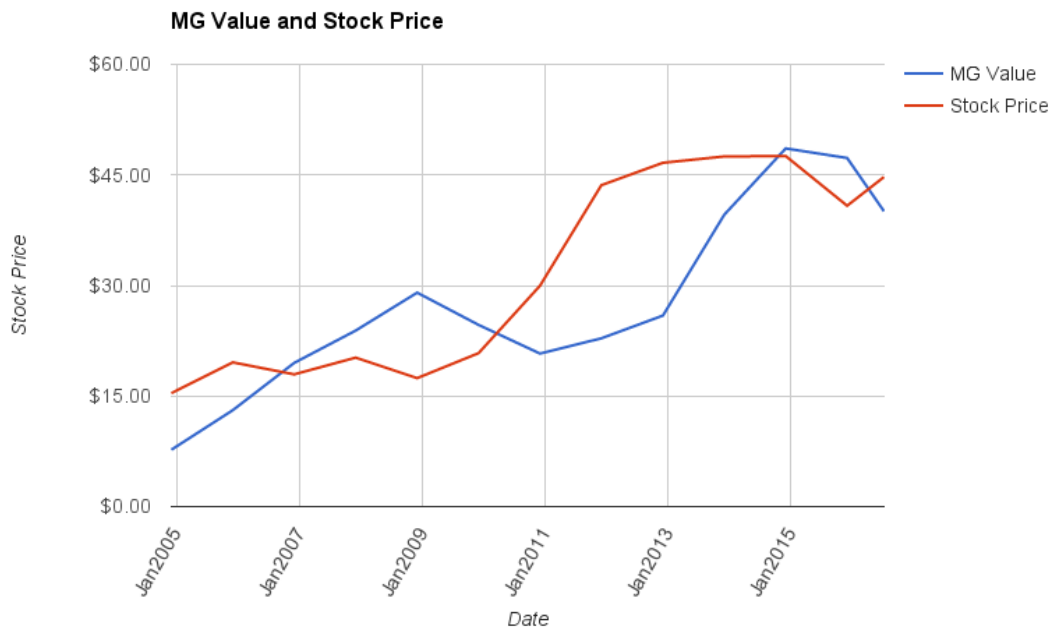
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.27
Graham Number	\$15.85
PEmg	26.46
Current Ratio	4.40
PB Ratio	7.10
Current Dividend	\$1.14
Dividend Yield	2.55%
Number of Consecutive Years of Dividend Growth	19

### 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	\$1.77	Next Fiscal Year Estimate	\$1.69
Dec2015	\$1.77	Dec2015	\$1.60
Dec2014	\$1.66	Dec2014	\$1.46
Dec2013	\$1.51	Dec2013	\$1.29
Dec2012	\$1.42	Dec2012	\$1.12
Dec2011	\$1.21	Dec2011	\$0.94
Dec2010	\$0.90	Dec2010	\$0.80
Dec2009	\$0.62	Dec2009	\$0.74
Dec2008	\$0.94	Dec2008	\$0.75
Dec2007	\$0.78	Dec2007	\$0.62
Dec2006	\$0.66	Dec2006	\$0.51
Dec2005	\$0.55	Dec2005	\$0.40
Dec2004	\$0.43	Dec2004	\$0.32
Dec2003	\$0.28	Dec2003	\$0.26
Dec2002	\$0.25	Dec2002	\$0.24
Dec2001	\$0.23	Dec2001	\$0.22
Dec2000	\$0.27	Dec2000	\$0.21
Dec1999	\$0.22	<b>Balance Sheet Information 3/1/2016</b>	
Dec1998	\$0.18	Total Current Assets	\$1,767,180,000
Dec1997	\$0.14	Total Current Liabilities	\$401,673,000
Dec1996	\$0.11	Long-Term Debt	\$362,390,000
		Total Assets	\$2,642,781,000
		Intangible Assets	\$0
		Total Liabilities	\$820,905,000
		Shares Outstanding (Diluted Average)	289,124,000





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

[9 Best Stocks For Value Investors This Week – 11/28/15](#)  
[Fastenal Co Valuation – November 2015 Update \\$FAST](#)  
[19 Best Stocks For Value Investors This Week – 8/29/15](#)  
[Fastenal Company Analysis – August 2015 Update \\$FAST](#)  
[The Best Companies of the Machinery Industry – August 2015](#)

Other  
ModernGraham  
posts about related  
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[Deere & Company Valuation – June 2016 \\$DE](#)  
[A.O.Smith Corporation Valuation – June 2016 \\$AOS](#)  
[Ingersoll-Rand PLC Valuation – May 2016 \\$IR](#)  
[Snap-on Inc Valuation – February 2016 \\$SNA](#)  
[AGCO Corporation Valuation – February 2016 \\$AGCO](#)  
[Joy Global Inc Valuation – February 2016 \\$JOY](#)  
[Allegion PLC Valuation – February 2016 Update \\$ALLE](#)  
[Rockwell Automation Inc Valuation – February 2016 Update \\$ROK](#)  
[Parker Hannifin Corp Valuation – January 2016 Update \\$PH](#)  
[Stanley Black & Decker Inc Valuation – January 2016 Update \\$SWK](#)