

# ModernGraham Valuation

## Company Name:

Company Ticker TSCO

Date of Analysis

Tractor Supply  
Company

9/1/2016



## 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	\$11,198,518,163 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.19 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	356.44% Pass
5. Earnings Growth	PEmg < 20	29.32 Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.53 Fail
7. Moderate Price to Assets		

*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	2.19 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.22 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	\$2.87
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$110.42</b>
MG Value based on 3% Growth	\$41.59
MG Value based on 0% Growth	\$24.38
Market Implied Growth Rate	10.41%

### MG Opinion

Current Price	\$84.08
% of Intrinsic Value	76.15%
<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)	\$3.80
Graham Number	\$28.88
PEmg	29.32
Current Ratio	2.19
PB Ratio	7.53
Current Dividend	\$0.84
Dividend Yield	1.00%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.30	Next Fiscal Year Estimate	\$2.87
Dec2015	\$3.00	Dec2015	\$2.53
Dec2014	\$2.66	Dec2014	\$2.16
Dec2013	\$2.32	Dec2013	\$1.79
Dec2012	\$1.90	Dec2012	\$1.41
Dec2011	\$1.51	Dec2011	\$1.08
Dec2010	\$1.13	Dec2010	\$0.82
Dec2009	\$0.82	Dec2009	\$0.65
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	\$0.30
Dec2003	\$0.35	Dec2003	\$0.24
Dec2002	\$0.24	Dec2002	\$0.18
Dec2001	\$0.18	Dec2001	\$0.14
Dec2000	\$0.12	Dec2000	\$0.11
Dec1999	\$0.13	<b>Balance Sheet Information 6/1/2016</b>	
Dec1998	\$0.11	Total Current Assets	\$1,588,535,000
Dec1997	\$0.08	Total Current Liabilities	\$724,435,000
Dec1996	\$0.09	Long-Term Debt	\$186,212,000
		Total Assets	\$2,578,766,000
		Intangible Assets	\$10,258,000
		Total Liabilities	\$1,076,837,000
		Shares Outstanding (Diluted Average)	134,562,000





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.

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