ModernGraham Valuation

Company Name:

Snap-on Incorporated



3.90 Fail

Company Ticker Date of Analysis

2/13/2017

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.

7. Moderate Price to Assets

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$10,062,990,138 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.90 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	181.84% Pass
Moderate PEmg Ratio	PEma < 20	19.90 Pass

PB Ratio < 2.5 OR PB*PEmg < 50

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	1.90 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.79 Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Score

Suitability

Defensive No Enterprising

Stage 2: Determination of Intrinsic Value

EPSmg	\$8.65
MG Growth Estimate	11.57%
MG Value	\$273.84
MG Value based on 3% Growth	\$125.48
MG Value based on 0% Growth	\$73.56
Market Implied Growth Rate	5.70%

MG Opinion

Current Price \$172.21 % of Intrinsic Value 62.89%

Opinion Undervalued

MG Grade

Stage 3: Information for Further Research

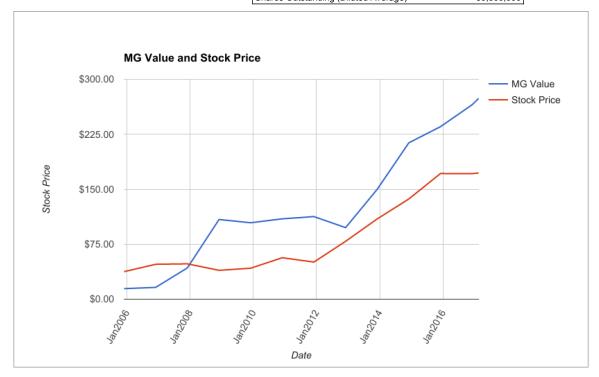
Net Current Asset Value (NCAV)	-\$3.74
Graham Number	\$99.22
PEmg	19.90
Current Ratio	1.90
PB Ratio	3.90
Current Dividend	\$2.54
Dividend Yield	1.47%
Number of Consecutive Years of Dividend	

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate	• • • • • • • • • • • • • • • • • • • •	Next Fiscal Year Estimate	\$8.65
Dec2016	\$9.20	Dec2016	\$7.79
Dec2015	\$8.10	Dec2015	\$6.80
Dec2014	\$7.14	Dec2014	\$5.84
Dec2013	\$5.93	Dec2013	\$4.89
Dec2012	\$5.20	Dec2012	\$4.21
Dec2011	\$4.71	Dec2011	\$3.63
Dec2010	\$3.19	Dec2010	\$3.02
Dec2009	\$2.32	Dec2009	\$2.81
Dec2008	\$4.07	Dec2008	\$2.82
Dec2007	\$3.09	Dec2007	\$2.08
Dec2006	\$1.69	Dec2006	\$1.57
Dec2005	\$1.59	Dec2005	\$1.44
Dec2004	\$1.40	Dec2004	\$1.40
Dec2003	\$1.35	Dec2003	\$1.48
Dec2002	\$1.81	Dec2002	\$1.48
Dec2001	\$0.33	Dec2001	\$1.37
Dec2000	\$2.53	Balance Sheet Information	12/1/2016
Dec1999	\$2.16	Total Current Assets	\$1,884,000,000
Dec1998	-\$0.08	Total Current Liabilities	\$989,500,000
Dec1997	\$2.44	Long-Term Debt	\$708,800,000
		Total Assets	\$4,723,200,000
		Intangible Assets	\$1,080,100,000
		Total Liabilities	\$2,106,000,000
		Shares Outstanding (Diluted Average)	59,300,000





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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