

ModernGraham Valuation

Company Name:

Fastenal Company

Company Ticker FAST

Date of Analysis

3/24/2018



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	\$15,487,469,576	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.51	Pass
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 beginning and end	123.08%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	26.76	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.38	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	5.51	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.26	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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.01
MG Growth Estimate	5.65%
MG Value	\$39.85
MG Value based on 3% Growth	\$29.17
MG Value based on 0% Growth	\$17.10
Market Implied Growth Rate	9.13%

MG Opinion

Current Price	\$53.85
% of Intrinsic Value	135.14%
Opinion	Overvalued
MG Grade	B

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.90
Graham Number	\$19.63
PEmg	26.76
Current Ratio	5.51
PB Ratio	7.38
Current Dividend	\$1.28
Dividend Yield	2.38%
Number of Consecutive Years of Dividend Growth	20

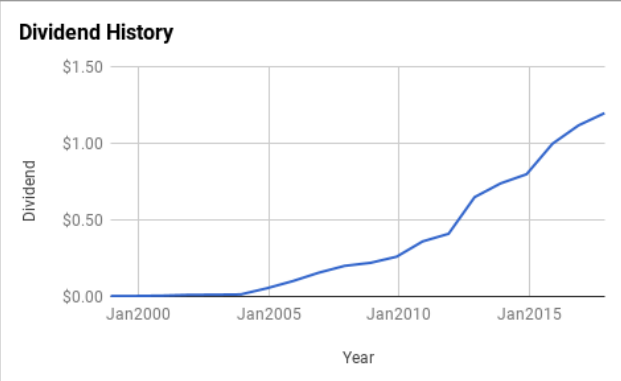
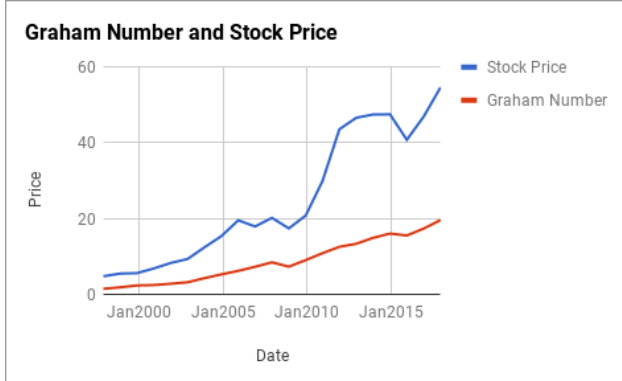
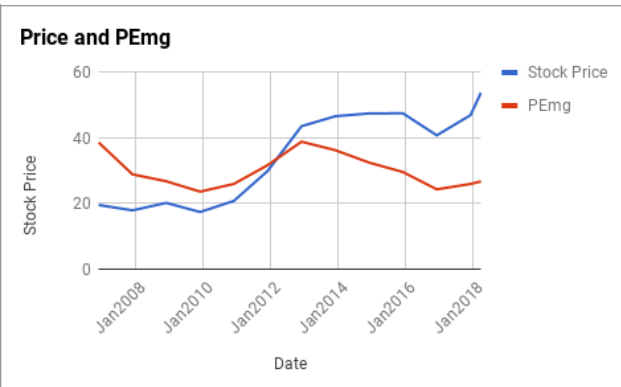
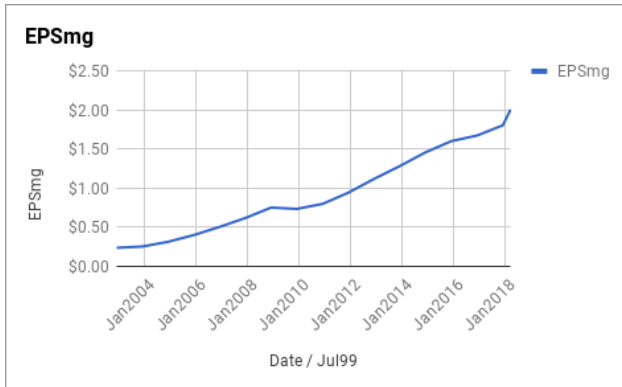
Useful Links:

[ModernGraham tagged articles](#)
[Google Finance](#)
[Yahoo Finance](#)
[GuruFocus](#)

[Morningstar](#)
[MSN Money](#)
[Seeking Alpha](#)
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.35	Next Fiscal Year Estimate	\$2.01
Dec2017	\$2.01	Dec2017	\$1.81
Dec2016	\$1.73	Dec2016	\$1.68
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	\$0.25
Dec2002	\$0.25	Dec2002	\$0.24
Dec2001	\$0.23	Balance Sheet Information 12/1/2017	
Dec2000	\$0.27	Total Current Assets	\$1,935,700,000
Dec1999	\$0.22	Total Current Liabilities	\$351,000,000
Dec1998	\$0.18	Long-Term Debt	\$412,000,000
		Total Assets	\$2,910,500,000
		Intangible Assets	\$0
		Total Liabilities	\$813,600,000
		Shares Outstanding (Diluted Average)	287,400,000





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

- [Fastenal Company Valuation – July 2016 \\$FAST](#)
- [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](#)

Other ModernGraham posts about related companies

- [Deere & Co Valuation – March 2018 \\$DE](#)
- [A.O. Smith Corp Valuation – March 2018 \\$AOS](#)
- [Parker-Hannifin Corp Valuation – March 2018 \\$PH](#)
- [Dover Corp Valuation – March 2018 \\$DOV](#)
- [Ingersoll-Rand PLC Valuation – February 2018 \\$IR](#)
- [Briggs & Stratton Corp Valuation – Initial Coverage \\$BGG](#)
- [Albany International Corp Valuation – Initial Coverage \\$AIN](#)
- [Terex Corporation Valuation – Initial Coverage \\$TEX](#)
- [Donaldson Co Inc Valuation – Initial Coverage \\$DCI](#)
- [Stanley Black & Decker Inc Valuation – April 2017 \\$SWK](#)