

# ModernGraham Valuation

Company Name:

Cintas Corporation

Company Ticker CTAS

Date of Analysis

4/1/2018



## 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	\$18,164,860,211	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.15	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	292.32%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	30.84	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.49	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	2.15	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.41	Fail
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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.53
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$212.93</b>
MG Value based on 3% Growth	\$80.19
MG Value based on 0% Growth	\$47.01
Market Implied Growth Rate	11.17%

### MG Opinion

Current Price	\$170.58
% of Intrinsic Value	80.11%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$18.65
Graham Number	\$59.90
PEmg	30.84
Current Ratio	2.15
PB Ratio	6.49
Current Dividend	\$1.33
Dividend Yield	0.78%
Number of Consecutive Years of Dividend Growth	20

### 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>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.30	Next Fiscal Year Estimate	\$5.53
May2017	\$4.38	May2017	\$4.42
May2016	\$6.21	May2016	\$4.14
May2015	\$3.63	May2015	\$2.94
May2014	\$3.05	May2014	\$2.46
May2013	\$2.52	May2013	\$2.07
May2012	\$2.27	May2012	\$1.83
May2011	\$1.68	May2011	\$1.66
May2010	\$1.40	May2010	\$1.70
May2009	\$1.48	May2009	\$1.85
May2008	\$2.15	May2008	\$1.99
May2007	\$2.09	May2007	\$1.85
May2006	\$1.92	May2006	\$1.68
May2005	\$1.69	May2005	\$1.53
May2004	\$1.54	May2004	\$1.42
May2003	\$1.45	May2003	\$1.31
May2002	\$1.36	May2002	\$1.19
May2001	\$1.30	<b>Balance Sheet Information 2/1/2018</b>	
May2000	\$1.14	Total Current Assets	\$1,970,832,000
May1999	\$0.82	Total Current Liabilities	\$917,573,000
May1998	\$0.82	Long-Term Debt	\$2,534,760,000
		Total Assets	\$6,919,849,000
		Intangible Assets	\$3,377,344,000
		Total Liabilities	\$4,025,852,000
		Shares Outstanding (Diluted Average)	110,175,000





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**
- [Dividend Growth Stocks for Intelligent Investors – June 2016](#)
  - [Dividend Growth Stocks for Intelligent Investors – February 2016](#)
  - [13 Best Stocks For Value Investors This Week – 12/12/15](#)
  - [Cintas Corp Valuation – December 2015 Update \\$CTAS](#)
  - [The Best Companies of the Business Support Industry – November 2015](#)

- Other ModernGraham posts about related companies**
- [Xerox Corp Valuation – March 2018 \\$XRX](#)
  - [Avery Dennison Corp Valuation – March 2018 \\$AVY](#)
  - [Ecolab Inc Valuation – March 2018 \\$ECL](#)
  - [Paychex Inc Valuation – March 2018 \\$PAYX](#)
  - [United Rentals Inc Valuation – September 2017 \\$URI](#)
  - [Exponent Inc Valuation – Initial Coverage \\$EXPO](#)
  - [ExiService Holdings Inc Valuation – Initial Coverage \\$EXLS](#)
  - [Trueblue Inc Valuation – Initial Coverage \\$TBI](#)
  - [Global Payments Inc Valuation – Initial Coverage \\$GPN](#)
  - [Strayer Education Inc Valuation – Initial Coverage \\$STRA](#)