

ModernGraham Valuation

Company Name:

Company Ticker TSCO

Date of Analysis

4/12/2018

Tractor Supply
Company



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	\$7,532,037,837	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.95	Fail
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	205.22%	Pass
5. Earnings Growth	PEmg < 20	17.54	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.35	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	1.95	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.50	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.43
MG Growth Estimate	8.81%
MG Value	\$89.63
MG Value based on 3% Growth	\$49.75
MG Value based on 0% Growth	\$29.17
Market Implied Growth Rate	4.52%

MG Opinion

Current Price	\$60.20
% of Intrinsic Value	67.17%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

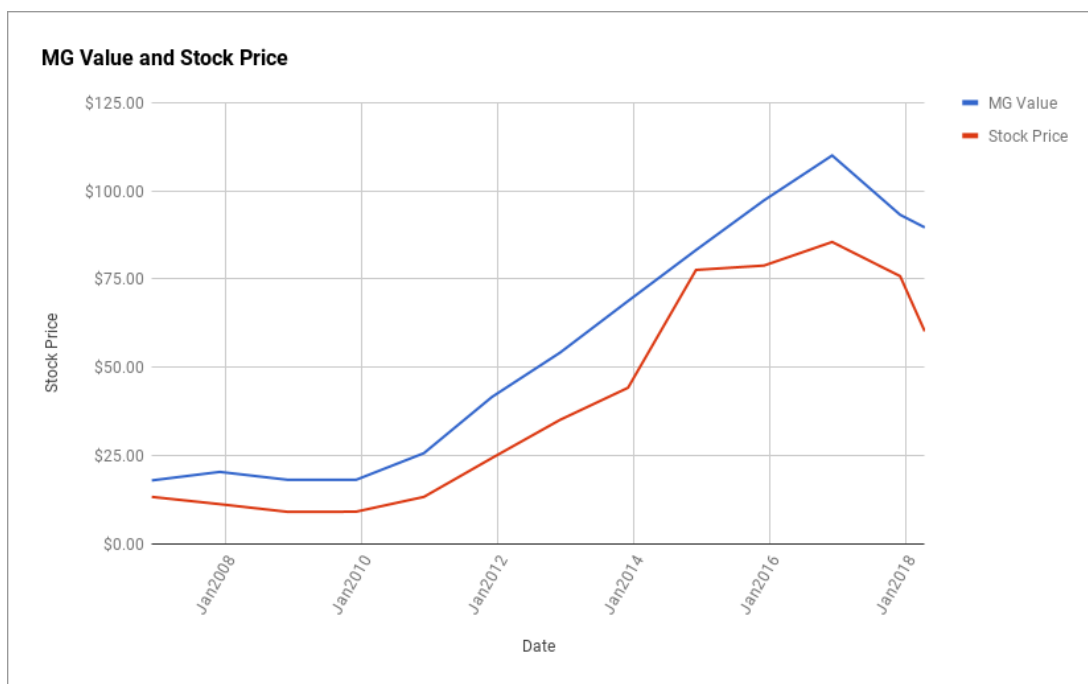
Net Current Asset Value (NCAV)	\$1.63
Graham Number	\$31.76
PEmg	17.54
Current Ratio	1.95
PB Ratio	5.35
Current Dividend	\$1.05
Dividend Yield	1.74%
Number of Consecutive Years of Dividend Growth	8

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.96	Next Fiscal Year Estimate	\$3.43
Dec2017	\$3.30	Dec2017	\$3.08
Dec2016	\$3.27	Dec2016	\$2.86
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	Balance Sheet Information 12/1/2017	
Dec2000	\$0.12	Total Current Assets	\$1,655,368,000
Dec1999	\$0.13	Total Current Liabilities	\$849,214,000
Dec1998	\$0.11	Long-Term Debt	\$401,069,000
		Total Assets	\$2,868,769,000
		Intangible Assets	\$124,492,000
		Total Liabilities	\$1,450,096,000
		Shares Outstanding (Diluted Average)	126,086,000





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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- [Tractor Supply Company Valuation – August 2016 \\$TSCO](#)
- [6 Best Stocks For Value Investors This Week – 5/14/16](#)
- [Tractor Supply Company Valuation – May 2016 \\$TSCO](#)
- [10 Best Stocks For Value Investors This Week – 10/31/15](#)

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- [Walgreens Boots Alliance Inc Valuation – March 2018 \\$WBA](#)
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- [Nordstrom Inc Valuation – February 2018 \\$JWN](#)
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