

# ModernGraham Valuation

Stanley Black &  
Decker, Inc.



## Company Name:

Company Ticker SWK

Date of Analysis

6/24/2018

## 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	\$20,831,808,690	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.06	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	183.42%	Pass
6. Moderate PEmg Ratio	PEmg < 20	18.45	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.46	Pass

*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	1.06	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	10.56	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 Score		Pass

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$7.32
MG Growth Estimate	11.85%
<b>MG Value</b>	<b>\$235.72</b>
MG Value based on 3% Growth	\$106.12
MG Value based on 0% Growth	\$62.21
Market Implied Growth Rate	4.97%

### MG Opinion

Current Price	\$135.00
% of Intrinsic Value	57.27%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>A-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$40.05
Graham Number	\$95.94
PEmg	18.45
Current Ratio	1.06
PB Ratio	2.46
Current Dividend	\$2.42
Dividend Yield	1.79%
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	\$8.35	Next Fiscal Year Estimate	\$7.32
Dec2017	\$8.04	Dec2017	\$6.41
Dec2016	\$6.51	Dec2016	\$5.43
Dec2015	\$5.79	Dec2015	\$4.79
Dec2014	\$4.76	Dec2014	\$4.09
Dec2013	\$3.09	Dec2013	\$3.60
Dec2012	\$5.30	Dec2012	\$3.72
Dec2011	\$3.97	Dec2011	\$3.01
Dec2010	\$1.32	Dec2010	\$2.72
Dec2009	\$2.79	Dec2009	\$3.43
Dec2008	\$3.84	Dec2008	\$3.75
Dec2007	\$4.00	Dec2007	\$3.55
Dec2006	\$3.46	Dec2006	\$3.18
Dec2005	\$3.16	Dec2005	\$2.87
Dec2004	\$4.36	Dec2004	\$2.60
Dec2003	\$1.27	Dec2003	\$1.75
Dec2002	\$2.10	Dec2002	\$1.95
Dec2001	\$1.81	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$2.22	Total Current Assets	\$5,077,900,000
Dec1999	\$1.67	Total Current Liabilities	\$4,810,200,000
Dec1998	\$1.53	Long-Term Debt	\$2,827,600,000
		Total Assets	\$19,683,200,000
		Intangible Assets	\$12,325,100,000
		Total Liabilities	\$11,241,400,000
		Shares Outstanding (Diluted Average)	153,905,000





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**

- [Best Dividend Paying Stocks for Dividend Growth Investors – August 2017](#)
- [Stanley Black & Decker Inc Valuation – April 2017 \\$SWK](#)
- [Stanley Black & Decker Inc Valuation – January 2016 Update \\$SWK](#)
- [26 Companies in the Spotlight This Week – 12/13/14](#)
- [Stanley Black & Decker Inc. Annual Valuation – 2014 \\$SWK](#)

**Other ModernGraham posts about related companies**

- [Pentair PLC Valuation – June 2018 \\$PNR](#)
- [Snap-on Inc Valuation – May 2018 \\$SNA](#)
- [Paccar Inc Valuation – May 2018 \\$PCAR](#)
- [W.W. Grainger Inc Valuation – May 2018 \\$GWW](#)
- [Allegion PLC Valuation – May 2018 \\$ALLE](#)
- [Xylem Inc Valuation – May 2018 \\$XYL](#)
- [Arconic Inc Valuation – April 2018 \\$ARNC](#)
- [Rockwell Automation Inc Valuation – April 2018 \\$SROK](#)
- [Roper Technologies Inc Valuation – April 2018 \\$ROP](#)
- [Eaton Corp PLC Valuation – March 2018 \\$ETN](#)