# **ModernGraham Valuation**

# **Company Name:**

Stanley Black & Decker, Inc.



Company Ticker 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.

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
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	183.42% Pass
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	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		Pass
		Score		

Suitability

MG Opinion

Defensive Yes Enterprising Yes

## Stage 2: Determination of Intrinsic Value

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

**Current Price** 

\$135.00 % of Intrinsic Value 57.27% Opinion Undervalued MG Grade

### Stage 3: Information for Further Research

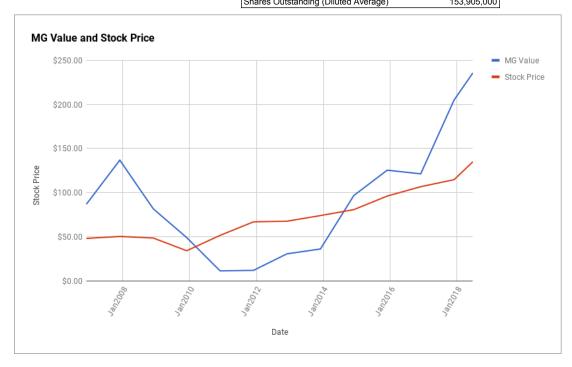
Net Current Asset Value (NCAV)	-\$40.05
Graham Number	\$95.94
PEmg	18.45
Current Ratio	1.06
PB Ratio	2.46
Current Dividend	\$2.42
Dividend Yield	1.79%
Number of Consecutive Years of Dividend	00
Growth	20

Morningstar

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate		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	Balance Sheet Information	3/1/2018
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.

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Stanley Black & Decker Inc Valuation - April 2017 \$SWK

Stanley Black & Decker Inc Valuation – January 2016 Update \$SWK

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Stanley Black & Decker Inc. Annual Valuation – 2014 \$SWK

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