

ModernGraham Valuation

Company Name:

Fastenal Company

Company Ticker FAST

Date of Analysis

1/21/2019



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	\$16,968,283,263	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.30	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	109.07%	Pass
5. Earnings Growth	PEmg < 20	25.08	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.38	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	5.30	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	\$2.37
MG Growth Estimate	7.12%
MG Value	\$53.79
MG Value based on 3% Growth	\$34.31
MG Value based on 0% Growth	\$20.11
Market Implied Growth Rate	8.29%

MG Opinion

Current Price	\$59.35
% of Intrinsic Value	110.34%
Opinion	Overvalued
MG Grade	B-

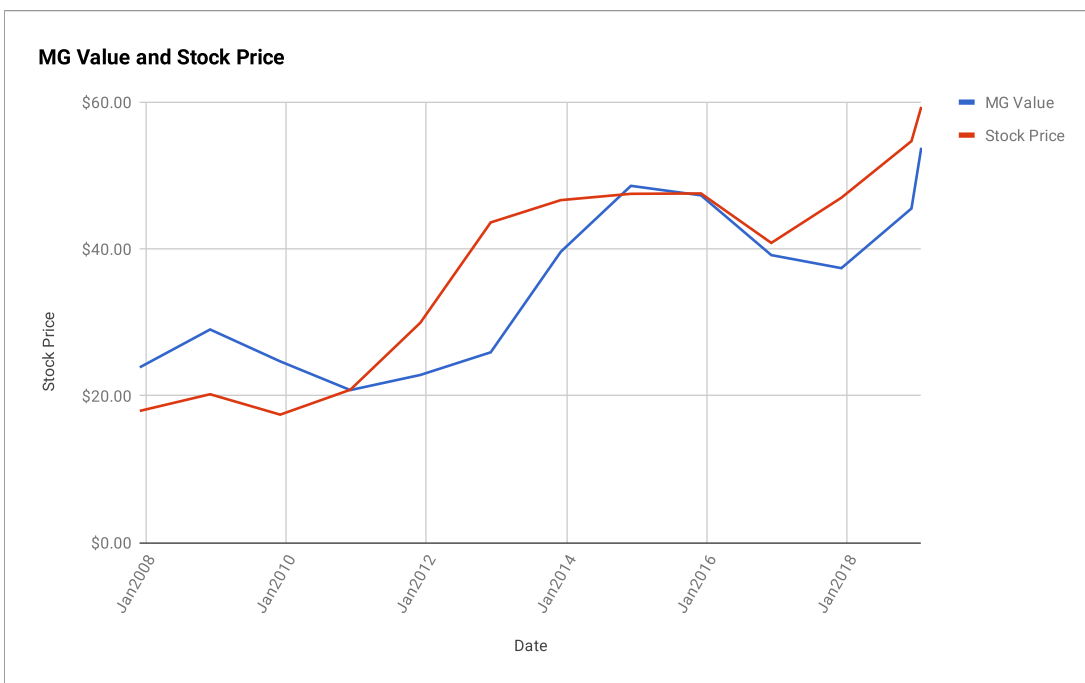
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.53
Graham Number	\$22.32
PEmg	25.08
Current Ratio	5.30
PB Ratio	7.38
Current Dividend	\$1.54
Dividend Yield	2.59%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$2.75		\$2.37
Dec2018	\$2.62	Dec2018	\$2.10
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	Balance Sheet Information	
Dec2001	\$0.23	12/1/2018	
Dec2000	\$0.27	Total Current Assets	\$2,316,200,000
Dec1999	\$0.22	Total Current Liabilities	\$437,400,000
		Long-Term Debt	\$497,000,000
		Total Assets	\$3,321,500,000
		Intangible Assets	\$0
		Total Liabilities	\$1,018,800,000
		Shares Outstanding (Diluted Average)	286,300,000





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:

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ModernGraham
posts about the
company

[Fastenal Co Valuation – March 2018 \\$FAST](#)
[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](#)

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[A.O. Smith Corp Valuation – January 2019 \\$AOS](#)
[Parker-Hannifin Corp Valuation – January 2019 \\$PH](#)
[Dover Corp Valuation – January 2019 \\$DOV](#)
[Caterpillar Inc Valuation – November 2018 \\$CAT](#)
[Lindsay Corp Valuation – October 2018 \\$LNN](#)
[Lennox International Inc Valuation – October 2018 \\$LI](#)
[Standex International Corp Valuation – September 2018 \\$SXI](#)
[Lincoln Electric Holdings Inc Valuation – August 2018 \\$LECO](#)
[Regal Beloit Corp Valuation – August 2018 \\$RBC](#)