

# ModernGraham Valuation

Company Name:

Parker-Hannifin Corp

Company Ticker PH

Date of Analysis

1/5/2019



## 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	\$20,028,374,412	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.60	Fail
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	48.03%	Pass
5. Earnings Growth	PEmg < 20	18.33	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.34	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	1.60	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.17	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	\$8.26
MG Growth Estimate	3.15%
<b>MG Value</b>	<b>\$122.19</b>
MG Value based on 3% Growth	\$119.74
MG Value based on 0% Growth	\$70.19
Market Implied Growth Rate	4.91%

### MG Opinion

Current Price	\$151.33
% of Intrinsic Value	123.84%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$29.85
Graham Number	\$101.81
PEmg	18.33
Current Ratio	1.60
PB Ratio	3.34
Current Dividend	\$2.74
Dividend Yield	1.81%
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		Next Fiscal Year Estimate	\$8.26
Jun2018	\$10.41	Jun2018	\$7.11
Jun2017	\$7.83	Jun2017	\$6.71
Jun2016	\$7.25	Jun2016	\$6.53
Jun2015	\$5.89	Jun2015	\$6.83
Jun2014	\$6.97	Jun2014	\$6.53
Jun2013	\$6.87	Jun2013	\$6.01
Jun2012	\$6.26	Jun2012	\$5.65
Jun2011	\$7.45	Jun2011	\$4.71
Jun2010	\$6.37	Jun2010	\$3.95
Jun2009	\$3.40	Jun2009	\$4.17
Jun2008	\$3.13	Jun2008	\$4.41
Jun2007	\$5.53	Jun2007	\$3.55
Jun2006	\$4.68	Jun2006	\$2.72
Jun2005	\$3.71	Jun2005	\$2.09
Jun2004	\$3.35	Jun2004	\$1.50
Jun2003	\$1.94	Jun2003	\$1.39
Jun2002	\$1.12	<b>Balance Sheet Information 9/1/2018</b>	
Jun2001	\$0.75	Total Current Assets	\$5,298,082,000
Jun2000	\$1.97	Total Current Liabilities	\$3,308,521,000
Jun2000	\$2.21	Long-Term Debt	\$4,313,221,000
Jun1999	\$1.89	Total Assets	\$15,425,042,000
		Intangible Assets	\$7,441,245,000
		Total Liabilities	\$9,317,936,000
		Shares Outstanding (Diluted Average)	134,664,000





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

[Parker-Hannifin Corp Valuation – March 2018 \\$PH](#)  
[Parker-Hannifin Corp Valuation – July 2016 \\$PH](#)  
[Parker Hannifin Corp Valuation – January 2016 Update \\$PH](#)  
[Dividend Growth Stocks for the Intelligent Investor – November 2015](#)  
[Dividend Growth Stocks for the Intelligent Investor – October 2015](#)

Other  
ModernGraham  
posts about related  
companies

[Caterpillar Inc Valuation – November 2018 \\$CAT](#)  
[Lindsay Corp Valuation – October 2018 \\$LNN](#)  
[Lennox International Inc Valuation – October 2018 \\$LII](#)  
[Standex International Corp Valuation – September 2018 \\$SXI](#)  
[Lincoln Electric Holdings Inc Valuation – August 2018 \\$LECO](#)  
[Regal Beloit Corp Valuation – August 2018 \\$RBC](#)  
[Kennametal Inc Valuation – August 2018 \\$KMT](#)  
[SPX Corp Valuation – August 2018 \\$SPXC](#)  
[AGCO Corp Valuation – August 2018 \\$AGCO](#)  
[John Bean Technologies Corp Valuation – August 2018 \\$JBT](#)