# **ModernGraham Valuation**

# **Company Name:**

Parker-Hannifin Corp



Company Ticker РΗ

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.

<ol> <li>Adequate Size of the Enterprise</li> </ol>	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	
5. Earnings Growth	beginning and end	48.03% Pass
6. Moderate PEmg Ratio	PEmg < 20	18.33 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.34 Fail

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

123.84%

Score

Suitability

MG Opinion

Defensive No Enterprising Yes

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$8.26
MG Growth Estimate	3.15%
MG Value	\$122.19
MG Value based on 3% Growth	\$119.74
MG Value based on 0% Growth	\$70.19
Market Implied Growth Rate	4.91%
Current Price	\$151.33

% of Intrinsic Value Opinion Overvalued MG Grade

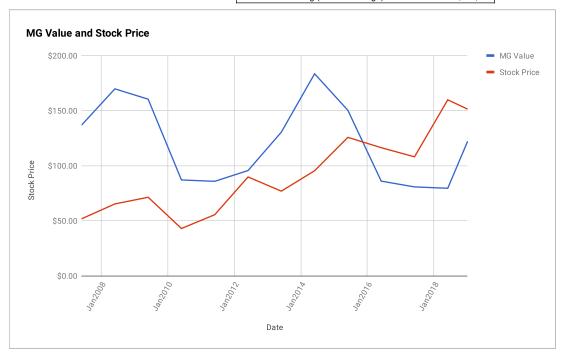
### Stage 3: Information for Further Research

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	20
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		l <u>_</u> <u>_</u>	
Estimate	•	Next Fiscal Year Estimate	\$8.26
Jun2018	\$7.83	Jun2018	\$7.11
Jun2017	\$7.25	Jun2017	\$6.71
Jun2016	\$5.89	Jun2016	\$6.53
Jun2015	\$6.97	Jun2015	\$6.83
Jun2014	\$6.87	Jun2014	\$6.53
Jun2013	\$6.26	Jun2013	\$6.01
Jun2012	\$7.45	Jun2012	\$5.65
Jun2011	\$6.37	Jun2011	\$4.71
Jun2010	\$3.40	Jun2010	\$3.95
Jun2009	\$3.13	Jun2009	\$4.17
Jun2008	\$5.53	Jun2008	\$4.41
Jun2007	\$4.68	Jun2007	\$3.55
Jun2006	\$3.71	Jun2006	\$2.72
Jun2005	\$3.35	Jun2005	\$2.09
Jun2004	\$1.94	Jun2004	\$1.50
Jun2003	\$1.12	Jun2003	\$1.39
Jun2002	\$0.75	Balance Sheet Information	9/1/2018
Jun2001	\$1.97	Total Current Assets	\$5,298,082,000
Jun2000	\$2.21	Total Current Liabilities	\$3,308,521,000
Jun1999	\$1.89	Long-Term Debt	\$4,313,221,000
		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

<u>Lindsay Corp Valuation – October 2018 \$LNN</u>

<u>Lennox International Inc Valuation – October 2018 \$LII</u>

Standex International Corp Valuation – September 2018 \$SXI

<u>Lincoln Electric Holdings Inc Valuation – August 2018 \$LECO</u>

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

<u>John Bean Technologies Corp Valuation – August 2018 \$JBT</u>