ModernGraham Valuation

Company Name:

Tractor Supply Company



Company Ticker Date of Analysis

2/14/2019

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$11,690,451,950 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.91 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	170.12% Pass
Moderate PEmg Ratio	PEmg < 20	23.97 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.55 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	1.91 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.45 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 Yes Enterprising

Stage 2: Determination of Intrinsic Value

\$3.99
8.69%
\$103.34
\$57.88
\$33.93
7.74%

MG Opinion

Fairly Valued
92.60%
\$95.69

Fairly Valued C+ MG Grade

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.20
Graham Number	\$36.55
PEmg	23.97
Current Ratio	1.91
PB Ratio	7.55
Current Dividend	\$1.20
Dividend Yield	1.25%
Number of Consecutive Years of Dividend	
Growth	9

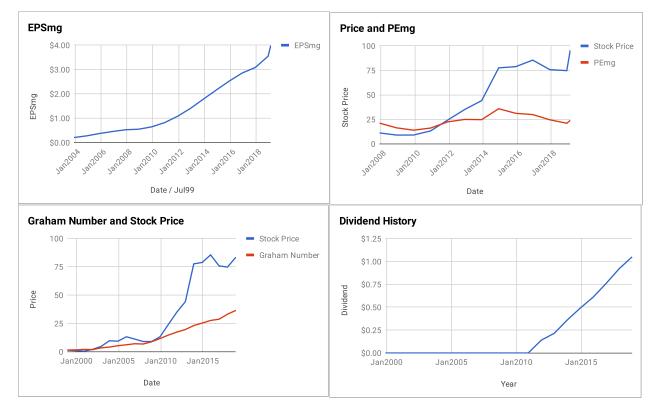
Morningstar

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$3.99
Dec2018	\$4.31	Dec2018	\$3.55
Dec2017	\$3.30	Dec2017	\$3.08
Dec2016	\$3.27	Dec2016	\$2.86
Dec2015	\$3.00	Dec2015	\$2.53
Dec2014	\$2.66	Dec2014	\$2.16
Dec2013	\$2.32	Dec2013	\$1.79
Dec2012	\$1.90	Dec2012	\$1.41
Dec2011	\$1.51	Dec2011	\$1.08
Dec2010	\$1.13	Dec2010	\$0.82
Dec2009	\$0.82	Dec2009	\$0.65
Dec2008	\$0.55	Dec2008	\$0.55
Dec2007	\$0.60	Dec2007	\$0.53
Dec2006	\$0.56	Dec2006	\$0.46
Dec2005	\$0.52	Dec2005	\$0.38
Dec2004	\$0.39	Dec2004	\$0.28
Dec2003	\$0.35	Dec2003	\$0.21
Dec2002	\$0.12	Balance Sheet Information	12/1/2018
Dec2001	\$0.18	Total Current Assets	\$1,794,399,000
Dec2000	\$0.12	Total Current Liabilities	\$938,107,000
Dec1999	\$0.13	Long-Term Debt	\$381,100,000
-		Total Assets	\$3,085,262,000
		Intangible Assets	\$124,492,000
		Total Liabilities	\$1,523,442,000
		Shares Outstanding (Diluted Average)	123,172,000





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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company

Tractor Supply Co Valuation - April 2018 \$TSCO

5 Undervalued Stocks for Enterprising Value Investors Near Lows – September 2016

7 Best Undervalued Stocks of the Week – 9/3/16

Tractor Supply Company Valuation - August 2016 \$TSCO

6 Best Stocks For Value Investors This Week - 5/14/16

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<u>Dollar General Corp Valuation – February 2019 \$DG</u>

Tiffany & Co Valuation - February 2019 \$TIF

Best Buy Co Inc Valuation - February 2019 \$BBY

Macy's Inc Valuation - January 2019 \$M

Ross Stores Inc Valuation – January 2019 \$ROST

Walgreens Boots Alliance Inc Valuation - December 2018 \$WBA

Nordstrom Inc Valuation - December 2018 \$JWN

Walmart Inc Valuation - November 2018 \$WMT

Canadian Tire Corp Ltd Valuation - August 2018 \$TSE:CTC.A