

ModernGraham Valuation

Company Name:

Company Ticker TSCO

Date of Analysis

2/14/2019

Tractor Supply
Company



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	\$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
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	170.12%	Pass
5. Earnings Growth	PEmg < 20	23.97	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.55	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	1.91	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.99
MG Growth Estimate	8.69%
MG Value	\$103.34
MG Value based on 3% Growth	\$57.88
MG Value based on 0% Growth	\$33.93
Market Implied Growth Rate	7.74%

MG Opinion

Current Price	\$95.69
% of Intrinsic Value	92.60%
Opinion	Fairly Valued
MG Grade	C+

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

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EPS History			EPSmg History		
Next Fiscal Year Estimate		\$4.64	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.

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