

# ModernGraham Valuation

Company Name:

Snap-on Incorporated

Company Ticker SNA

Date of Analysis

3/10/2019



## 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	\$8,765,637,793	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.33	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	155.65%	Pass
5. Earnings Growth	PEmg < 20	14.50	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.87	Pass
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	2.33	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.75	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	Yes
Enterprising	Yes

## Stage 2: Determination of Intrinsic Value

EPSmg	\$10.87
MG Growth Estimate	8.99%
<b>MG Value</b>	<b>\$287.73</b>
MG Value based on 3% Growth	\$157.61
MG Value based on 0% Growth	\$92.39
Market Implied Growth Rate	3.00%

### MG Opinion

Current Price	\$157.61
% of Intrinsic Value	54.78%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$0.66
Graham Number	\$123.17
PEmg	14.50
Current Ratio	2.33
PB Ratio	2.87
Current Dividend	\$3.41
Dividend Yield	2.16%
Number of Consecutive Years of Dividend Growth	9

### 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	
	\$12.10		\$10.87
Dec2018	\$11.87	Dec2018	\$9.89
Dec2017	\$9.52	Dec2017	\$8.59
Dec2016	\$9.20	Dec2016	\$7.79
Dec2015	\$8.10	Dec2015	\$6.80
Dec2014	\$7.14	Dec2014	\$5.84
Dec2013	\$5.93	Dec2013	\$4.89
Dec2012	\$5.20	Dec2012	\$4.21
Dec2011	\$4.71	Dec2011	\$3.63
Dec2010	\$3.19	Dec2010	\$3.02
Dec2009	\$2.32	Dec2009	\$2.81
Dec2008	\$4.07	Dec2008	\$2.82
Dec2007	\$3.09	Dec2007	\$2.08
Dec2006	\$1.69	Dec2006	\$1.57
Dec2005	\$1.59	Dec2005	\$1.44
Dec2004	\$1.40	Dec2004	\$1.40
Dec2003	\$1.35	Dec2003	\$1.48
Dec2002	\$1.81	<b>Balance Sheet Information</b>	
Dec2001	\$0.33	<b>12/1/2018</b>	
Dec2000	\$2.53	Total Current Assets	\$2,216,900,000
Dec1999	\$2.16	Total Current Liabilities	\$952,000,000
		Long-Term Debt	\$946,000,000
		Total Assets	\$5,373,100,000
		Intangible Assets	\$1,135,100,000
		Total Liabilities	\$2,254,500,000
		Shares Outstanding (Diluted Average)	56,700,000





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

[Snap-on Inc Valuation – May 2018 \\$SNA](#)  
[5 Best Stocks for Value Investors This Week – 2/18/17](#)  
[Snap-on Inc Valuation – February 2017 \\$SNA](#)  
[21 Best Undervalued Stocks of the Week – 8/27/16](#)  
[Snap-on Incorporated Valuation – August 2016 \\$SNA](#)

Other  
ModernGraham  
posts about related  
companies

[W.W. Grainger Inc Valuation – February 2019 \\$GWW](#)  
[Xylem Inc Valuation – February 2019 \\$XYL](#)  
[Allegion PLC Valuation – February 2019 \\$ALLE](#)  
[Arconic Inc Valuation – February 2019 \\$ARNC](#)  
[Roper Technologies Inc Valuation – February 2019 \\$ROP](#)  
[Rockwell Automation Inc Valuation – February 2019 \\$ROK](#)  
[Eaton Corp PLC Valuation – January 2019 \\$ETN](#)  
[Fastenal Co Valuation – January 2019 \\$FAST](#)  
[Deere & Co Valuation – January 2019 \\$DE](#)  
[A.O. Smith Corp Valuation – January 2019 \\$AOS](#)