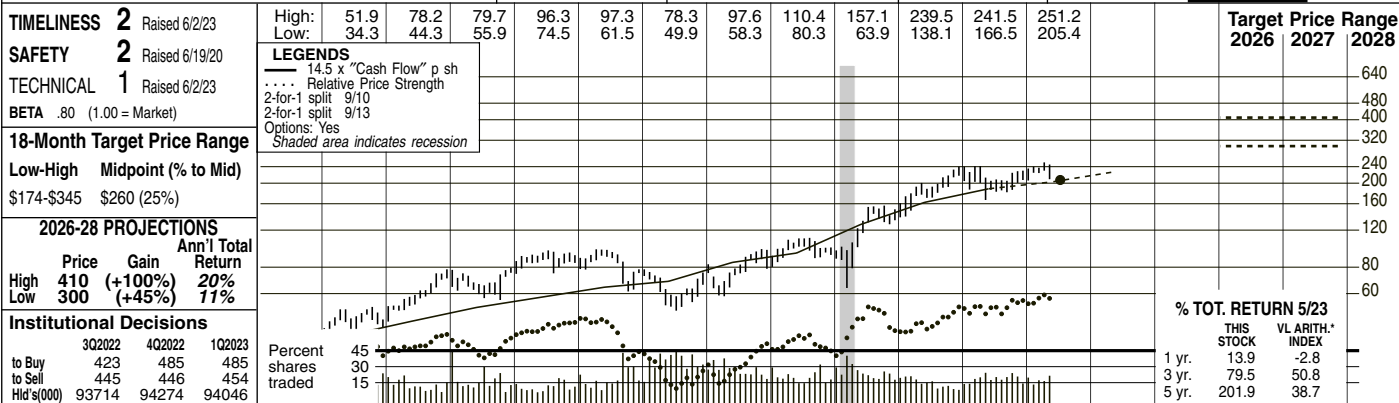


# TRACTOR SUPPLY CO. NDQ-TSCO

RECENT PRICE **207.55** P/E RATIO **19.9** (Trailing: 21.4 Median: 22.0) RELATIVE P/E RATIO **1.21** DIV'D YLD **2.0%** VALUE LINE **1146**



2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
18.03	20.85	22.22	25.00	29.70	33.55	36.98	41.88	46.39	51.83	57.91	64.94	70.68	91.36	112.54	128.60	<b>141.60</b>	<b>156.20</b>	Sales per sh <sup>A</sup>	<b>208.15</b>
.98	.99	1.26	1.63	2.13	2.63	3.07	3.56	3.98	4.44	4.74	5.83	6.44	8.80	11.20	12.96	<b>14.00</b>	<b>15.70</b>	"Cash Flow" per sh	<b>20.80</b>
.60	.55	.79	1.13	1.51	1.90	2.32	2.66	3.00	3.27	3.33	4.31	4.68	6.87	8.61	9.71	<b>10.45</b>	<b>12.00</b>	Earnings per sh <sup>A B</sup>	<b>16.15</b>
--	--	--	.14	.22	.36	.49	.61	.76	.92	1.05	1.20	1.36	1.50	2.08	3.68	<b>4.12</b>	<b>4.56</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>5.50</b>
3.77	4.23	5.08	6.41	7.07	7.37	8.93	9.48	10.38	11.11	11.32	12.82	13.26	16.55	17.70	18.49	<b>20.55</b>	<b>22.85</b>	Book Value per sh <sup>D</sup>	<b>30.60</b>
149.94	144.25	144.31	145.55	142.53	139.01	139.65	136.38	134.22	130.80	125.30	121.83	118.17	116.25	113.13	110.46	<b>107.00</b>	<b>105.00</b>	Common Shs Outst'g <sup>E</sup>	<b>98.00</b>
19.9	16.9	13.4	15.4	20.7	23.6	25.8	25.4	29.1	25.5	19.1	18.1	21.0	17.6	21.9	21.4	<b>Bold figures are Value Line estimates</b>		Avg Ann'l P/E Ratio	<b>22.0</b>
1.06	1.02	.89	.98	1.30	1.50	1.45	1.34	1.47	1.34	.96	.98	1.12	.90	1.18	1.24			Relative P/E Ratio	<b>1.20</b>
--	--	--	.8%	.7%	.8%	.8%	.9%	.9%	1.1%	1.7%	1.5%	1.4%	1.2%	1.1%	1.7%			Avg Ann'l Div'd Yield	<b>1.5%</b>

CAPITAL STRUCTURE as of 4/1/23				2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	26-28
Total Debt \$1604.4 mill. Due in 5 Yrs \$825 mill.				5164.8	5711.7	6226.5	6779.6	7256.4	7911.0	8351.9	10620	12731	14204	<b>15150</b>	<b>16400</b>	Sales (\$mill)	<b>20400</b>					
LT Debt \$1601.6 mill. LT Interest \$30.0 mill.				34.0%	34.1%	34.4%	34.3%	34.3%	34.3%	34.2%	34.4%	35.4%	35.2%	35.0%	<b>35.2%</b>	Gross Margin	<b>35.2%</b>					
Includes finance leases (Total interest coverage: Over 25x) (45% of Cap'l)				11.9%	12.3%	12.4%	12.3%	11.7%	11.1%	11.3%	12.1%	12.4%	12.5%	<b>12.5%</b>	Operating Margin	<b>12.5%</b>						
Leases, Uncapitalized Annual rentals \$453.5 mill.				1276	1382	1488	1738	1853	1940	2024	2105	2181	2333	<b>2415</b>	<b>2475</b>	Number of Stores	<b>2625</b>					
No Defined Benefit Pension Plan				328.2	370.9	410.4	437.1	427.5	532.4	564.6	806.2	997.1	1088.7	<b>1150</b>	<b>1280</b>	Net Profit (\$mill)	<b>1615</b>					
Pfd Stock None				36.2%	36.9%	36.6%	36.5%	36.4%	22.1%	22.3%	22.6%	22.1%	22.5%	<b>22.5%</b>	<b>22.5%</b>	Income Tax Rate	<b>23.0%</b>					
Common Stock 109,568,348 shs as of 4/24/23				6.4%	6.5%	6.6%	6.4%	5.9%	6.7%	6.8%	7.6%	7.8%	7.7%	<b>7.6%</b>	<b>7.8%</b>	Net Profit Margin	<b>7.9%</b>					
MARKET CAP: \$22.7 billion (Large Cap)				677.2	670.9	814.1	740.6	806.2	856.3	540.3	1514.9	1185.6	781.6	<b>700</b>	<b>700</b>	Working Cap'l (\$mill)	<b>700</b>					
CURRENT POSITION				1.2	5.0	167.0	289.8	433.7	410.4	396.9	1017.4	1019.2	1198.7	<b>1250</b>	<b>1250</b>	Long-Term Debt (\$mill)	<b>1350</b>					
2021				1246.9	1293.6	1393.3	1453.2	1418.7	1561.8	1567.1	1923.8	2002.7	2042.4	<b>2200</b>	<b>2400</b>	Shr. Equity (\$mill)	<b>3000</b>					
4/1/23				26.3%	28.6%	26.4%	25.2%	23.5%	27.5%	29.3%	27.9%	33.4%	33.6%	<b>33.0%</b>	<b>35.0%</b>	Return on Total Cap'l	<b>37.0%</b>					
CASH (SMILL.)				26.3%	28.7%	29.5%	30.1%	30.1%	34.1%	36.0%	41.9%	49.8%	53.3%	<b>52.0%</b>	<b>53.5%</b>	Return on Shr. Equity	<b>54.0%</b>					
2021				20.8%	22.2%	22.1%	21.7%	20.7%	24.7%	25.6%	32.8%	37.9%	33.3%	<b>32.0%</b>	<b>33.5%</b>	Retained to Com Eq	<b>36.0%</b>					
2022				21%	22%	25%	28%	31%	28%	29%	22%	24%	38%	<b>38%</b>	<b>37%</b>	All Div'ds to Net Prof	<b>33%</b>					

**BUSINESS:** Tractor Supply Co. is a specialty retailer supplying the lifestyle needs of recreational farmers and ranchers. It also serves tradesmen and small businesses. The company provides livestock and pet products (50% of 2022 sales); hardware, tools, truck, and towing (19%); seasonal products (such as snow blowers and mowers), gifts, and toys (21%); clothing and footwear (7%); and agriculture (3%). Operated 2,164 Tractor Supply stores and 189 Petsense stores as of 4/1/23. Has about 49,000 empls. Off./dir. own less than 1% of common; The Vanguard Group, 11.8%; Blackrock, 9.1% (3/23 Proxy). Chrmn: Cynthia Jamison. Pres. & CEO: Hal Lawton, Inc.: Delaware. Addr.: 5401 Virginia Way, Brentwood, TN 37027. Tel.: 615-440-4000. Internet: www.tractorsupply.com.

**Despite a bit of seasonal sluggishness, Tractor Supply started off 2023 on good footing.** Year-over-year, sales increased 9%, to \$3.3 billion in the first quarter, with the acquisition of Orscheln Farm and Home adding \$21 million in sales in the period. A 2.8% bump in average ticket prices offset a 0.7% decrease in same-store transaction count, and led to comparable store sales growth of 2.1%. Moderating freight charges reduced input costs slightly, but SG&A expenses saw a meaningful uptick. A step-up in capital spending related to the acquisition, as well as the addition of a new distribution center, led to higher depreciation costs. Despite strong sales growth, earnings finished flat over the year-ago period, at \$1.65 per share.

**Operating performance should improve across the remainder of 2023.** We're forecasting \$15.15 billion in sales for the full year, prompted by improved seasonality in the warmer summer months. Expansion of the store footprint should continue to be a strong business driver throughout the year. After recently converting 81 Orscheln stores, the company now plans to open 70 new Tractor Supply and 10+ Petsense stores across 2023. With relatively flat or slightly improved operating margins, we expect full year earnings to finish near \$10.45 per share.

**The company has been a consistent buyer of its own shares.** Tractor Supply has reduced its share count roughly 10% in the last five years, and 25% in the last decade. In the first quarter of 2023, the company repurchased approximately 870,000 shares of common stock, at around \$228 per share, bringing the total float to 109.5 million. We think long-term shareholders in particular will continue to benefit from the company's buyback program. With a reduced share count and larger store footprint, we see the company delivering earnings above \$16.00 per share in the next three to five years.

**Tractor Supply shares look attractive for long-term investors.** The stock is also ranked Above-Average (2) for both Timeliness and Safety. Forecasting strong earnings growth through 2026-2028, we've set our target price range over that time frame at \$300 to \$410 per share.

Lucas Vanarthos  
June 16, 2023

(A) Fiscal year ends on the last Saturday in December. Quarterly figures may not add to total due to rounding.	(B) Diluted earnings per share. Excludes non-recurring charges: '17, \$0.03; '19, \$0.02; '20, \$0.49. Next earnings report due late July.	(C) Dividends paid in early March, June, September, and December.	(D) Includes intangibles. In 2022: \$253.3 mill., \$2.30/share.	(E) In mill. adjusted for stock splits.	Company's Financial Strength	A+
					Stock's Price Stability	85
					Price Growth Persistence	70
					Earnings Predictability	90