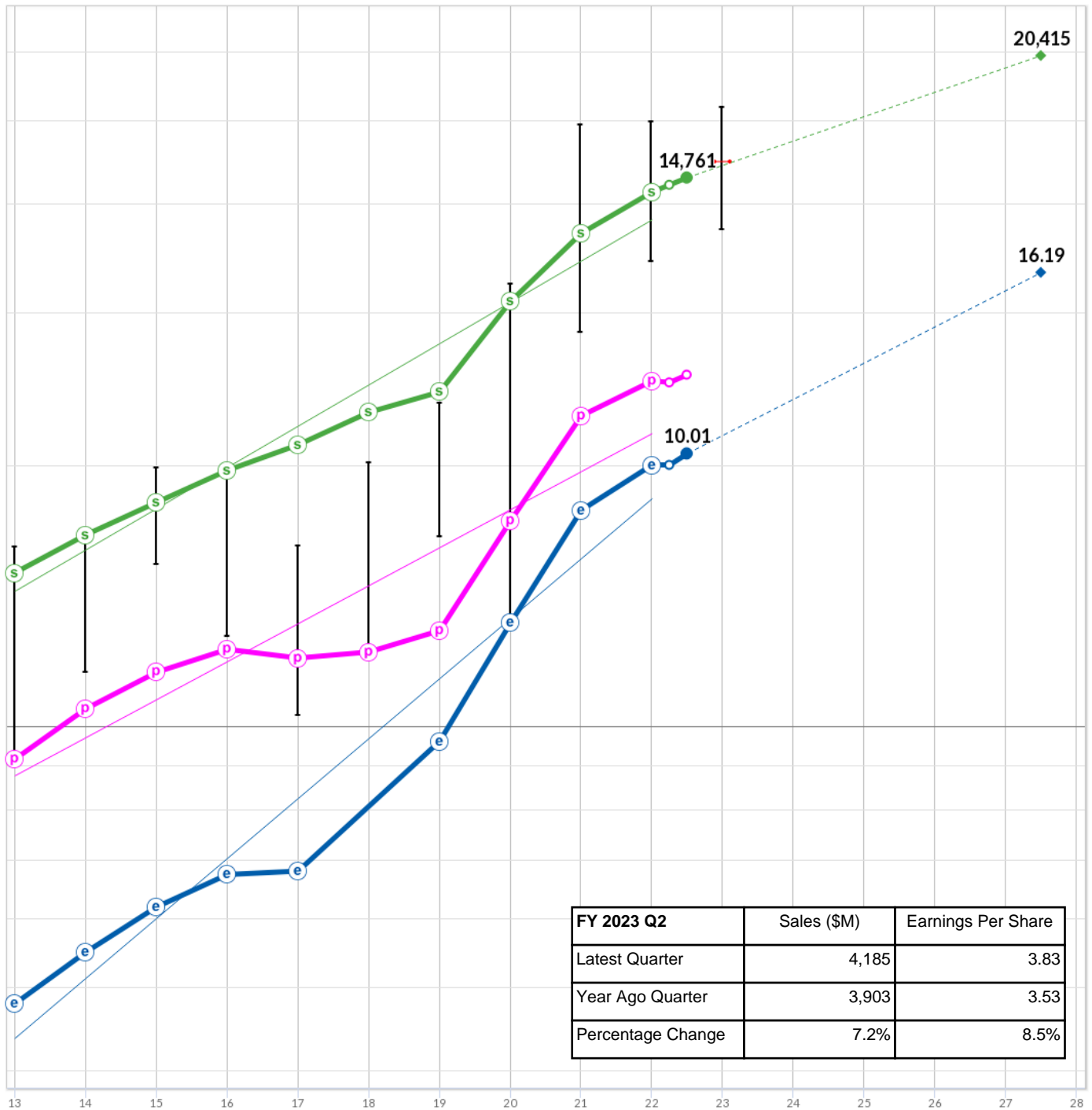


Stock Selection Guide

Company	Tractor Supply		Date	09/08/23	
Prepared by	O'MARA		Data taken from	BI Stock Data	
Where traded	NAS	Industry	Specialty Retail		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	110.0	4.5	78.8		
Debt (\$M)	4,844.0	% to Tot Cap	69.9	% Pot Dil	0.6

Symbol: TSCO

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 11.6% | (3) Historical Earnings Per Share Growth | 17.3% |
| (2) Estimated Future Sales Growth | 6.7% | (4) Estimated Future Earnings Per Share Growth | 10.1% |

2 EVALUATING Management

Tractor Supply

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Last 5 Year Avg.
% Pre-tax Profit on Sales	10.0%	10.3%	10.4%	10.2%	9.3%	8.6%	8.7%	9.1%	10.1%	9.9%	9.3%
% Earned on Equity	27.4%	29.5%	30.1%	29.2%	30.2%	35.1%	36.9%	39.5%	48.2%	55.2%	43.0%
% Debt To Capital	0.1%	0.4%	10.8%	17.2%	24.6%	22.0%	63.4%	64.8%	66.2%	67.6%	56.8%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 217.39 (09/08/23) **52-WEEK HIGH** 251.17 **52-WEEK LOW** 181.40

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2018	97.7	58.3	4.31	22.7	13.5	1.20	27.8	2.1
2019	114.3	80.3	4.66	24.5	17.2	1.36	29.2	1.7
2020	157.1	63.9	6.38	24.6	10.0	1.50	23.5	2.3
2021	239.5	138.1	8.61	27.8	16.0	2.08	24.2	1.5
2022	241.5	166.5	9.71	24.9	17.1	3.68	37.9	2.2
AVERAGE		101.4		24.2	16.0		28.5	
CURRENT/TTM			10.01	25.1	18.1	4.12	41.2	
AVERAGE PRICE EARNINGS RATIO: 20.1					CURRENT PRICE EARNINGS RATIO: 21.7			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 20.0 X Estimate High Earnings/Share 16.19 = Forecasted High Price \$ 323.8

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 14.4 X Estimate Low Earnings/Share 8.72 = Forecasted Low Price \$ 125.6

(b) Avg. Low Price of Last 5 Years 101.4

(c) Recent Market Low Price 138.1

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{4.12}{2.35\%} = 175.5$

Selected Forecasted Low Price \$ 174.0

C ZONING using 25%-50%-25%

Forecasted High Price 323.8 Minus Forecasted Low Price 174.0 = 149.8 Range. 25% of Range 37.5

Buy Zone 174.0 to 211.5

Hold Zone 211.5 to 286.4

Sell Zone 286.4 to 323.8

Present Market Price of 217.39 is in the **HOLD** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price}} = \frac{323.8 - 217.39}{217.39} = 0.4895$ $\frac{\text{Present Price} - \text{Low Price}}{\text{Present Price} - \text{Low Price}} = \frac{217.39 - 174.0}{217.39 - 174.0} = 1.0$ $\frac{0.4895}{1.0} = 0.4895$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{323.8 - 217.39}{217.39} = 0.4895$ X 100 = 48.95 - 100 = -51.05 = 48.9 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{3.68}{217.39} = 0.0190 = 1.9\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{27.3\%}{20.00} = 1.4\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{27.3\%}{17.20} = 1.6\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

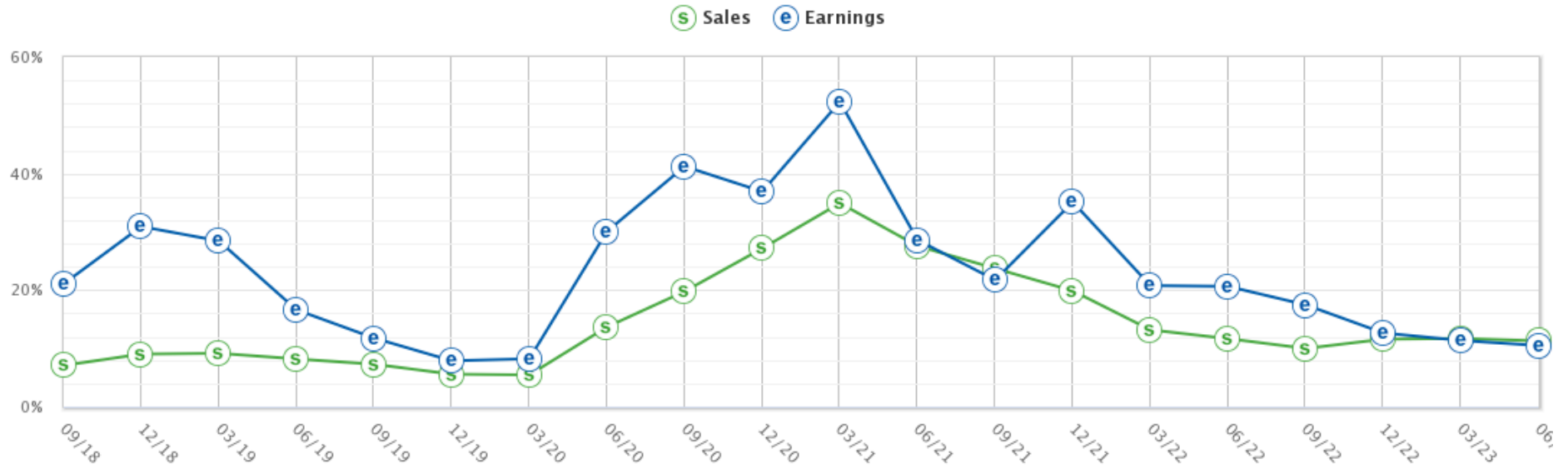
Annualized Appreciation 8.3 %
Average Yield 1.4 %
Annualized Rate of Return 9.7 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 5.1 %
Average Yield 1.6 %
Annualized Rate of Return 6.7 %

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil		%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit
06/23	3.83	8.5	547.0	13.1	5.6	4,184.7	7.2	23.0	10.01	1,427.9	9.7	14,761.1	315.5	22.1	10.5	7.1	11.3
03/23	1.65	0.0	231.8	7.0	-2.3	3,299.2	9.1	21.0	9.71	1,398.9	9.7	14,479.8	310.7	22.2	11.4	8.1	11.7
12/22	2.43	25.9	349.0	8.7	21.8	4,006.4	20.7	22.4	9.71	1,404.3	9.9	14,204.7	312.1	22.2	12.6	9.7	11.6
09/22	2.10	7.7	300.2	9.2	3.1	3,270.8	8.4	22.0	9.21	1,341.9	9.9	13,517.6	299.5	22.3	17.5	14.7	10.0
06/22	3.53	10.7	517.9	13.3	8.1	3,903.4	8.4	23.5	9.06	1,332.7	10.0	13,264.7	300.5	22.5	20.6	18.6	11.7
03/22	1.65	6.5	237.2	7.8	6.2	3,024.1	8.3	21.1	8.72	1,294.0	10.0	12,962.9	289.6	22.4	20.8	19.4	13.2
12/21	1.93	67.8	286.5	8.6	62.4	3,319.3	15.3	22.8	8.62	1,280.1	10.1	12,731.1	279.2	21.8	35.1	32.2	19.9

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil		%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit
09/21	1.95	20.4	291.1	9.6	18.8	3,017.9	15.8	22.9	7.84	1,170.0	9.5	12,290.1	255.7	21.9	21.7	19.7	23.7
06/21	3.19	10.0	479.2	13.3	9.1	3,601.6	13.4	22.8	7.51	1,123.8	9.5	11,878.7	243.6	21.7	28.6	26.4	27.6
03/21	1.55	118.3	223.3	8.0	107.8	2,792.3	42.5	18.8	7.22	1,084.0	9.5	11,453.5	235.3	21.7	52.3	48.0	34.9
12/20	1.15	-5.0	176.4	6.1	-5.0	2,878.3	31.3	23.0	6.38	968.1	9.1	10,620.4	218.1	22.5	36.9	33.8	27.2
09/20	1.62	58.8	245.0	9.4	56.1	2,606.6	31.4	22.2	6.44	977.4	9.8	9,933.9	218.6	22.4	41.2	36.9	19.8
06/20	2.90	61.1	439.3	13.8	55.6	3,176.3	34.9	22.9	5.84	889.3	9.6	9,311.4	198.9	22.4	30.1	26.1	13.7
03/20	0.71	12.7	107.5	5.5	9.2	1,959.2	7.5	22.1	4.74	732.4	8.6	8,488.9	162.8	22.2	8.2	5.9	5.4
12/19	1.21	9.0	185.6	8.5	5.5	2,191.8	2.7	22.3	4.66	723.4	8.7	8,351.9	160.7	22.2	7.9	5.9	5.6
09/19	1.02	7.4	156.9	7.9	5.5	1,984.1	5.4	22.2	4.56	713.7	8.6	8,293.4	158.3	22.2	11.8	3.9	7.3
06/19	1.80	6.5	282.4	12.0	5.2	2,353.8	6.3	22.4	4.49	705.5	8.6	8,190.9	155.3	22.0	16.6	3.3	8.2
03/19	0.63	10.5	98.5	5.4	9.1	1,822.2	8.3	22.0	4.38	691.6	8.6	8,050.4	152.9	22.1	28.4	3.3	9.2
12/18	1.11	27.6	175.9	8.2	-2.0	2,133.3	9.2	22.2	4.32	683.4	8.6	7,911.0	149.2	21.8	30.9	1.6	9.0
09/18	0.95	31.9	148.7	7.9	2.9	1,881.6	9.3	21.5	4.08	687.1	8.9	7,730.6	178.7	26.0	21.1	0.2	7.1
06/18	1.69	35.2	268.5	12.1	5.4	2,213.2	9.7	22.8	3.85	682.9	9.0	7,570.7	203.1	29.7	16.0	0.1	7.5
03/18	0.57	23.9	90.3	5.4	-3.5	1,682.9	7.6	20.9	3.41	669.2	9.1	7,375.2	222.7	33.3	5.6	-0.8	7.3
12/17	0.87	-7.4	179.6	9.2	-6.9	1,952.8	1.9	38.9	3.30	672.5	9.3	7,256.4	248.5	37.0	0.9	-2.3	7.0
09/17	0.72	7.5	144.5	8.4	2.5	1,721.7	11.6	36.4	3.37	685.9	9.5	7,220.1	248.4	36.2	7.0	2.6	10.9
06/17	1.25	7.8	254.8	12.6	3.0	2,017.8	8.9	37.0	3.32	682.3	9.7	7,041.1	247.3	36.2	6.4	2.5	9.3
03/17	0.46	-8.0	93.6	6.0	-12.6	1,564.1	6.6	35.6	3.23	674.8	9.8	6,875.9	244.2	36.2	4.9	1.8	8.1
12/16	0.94	14.6	193.0	10.1	11.6	1,916.5	16.4	36.0	3.27	688.3	10.2	6,779.6	251.3	36.5	9.0	6.3	8.9
09/16	0.67	4.7	140.9	9.1	1.8	1,542.7	4.5	36.5	3.15	668.2	10.3	6,509.6	243.0	36.4	5.4	2.5	5.6
06/16	1.16	3.6	247.3	13.4	1.2	1,852.5	4.5	36.8	3.12	665.7	10.3	6,442.6	242.8	36.5	7.6	4.9	6.5
03/16	0.50	19.0	107.1	7.3	16.4	1,467.8	10.2	36.8	3.08	662.7	10.4	6,363.0	242.5	36.6	12.8	10.2	8.6
12/15	0.82	1.2	172.9	10.5	-2.4	1,646.6	3.9	35.4	3.00	647.6	10.4	6,226.5	237.1	36.6	12.8	10.2	9.0
09/15	0.64	16.4	138.4	9.4	13.9	1,475.6	8.5	36.9	2.99	651.8	10.6	6,164.2	240.8	37.0	18.2	16.8	11.2
06/15	1.12	17.9	244.3	13.8	16.0	1,772.9	11.9	37.3	2.90	634.9	10.5	6,048.5	234.6	37.0	18.9	18.0	12.2
03/15	0.42	20.0	92.0	6.9	17.5	1,331.4	12.5	36.9	2.73	601.3	10.3	5,859.4	221.4	36.8	15.4	14.6	11.3
12/14	0.81	19.1	177.1	11.2	20.0	1,584.3	12.0	36.7	2.66	587.6	10.3	5,711.7	217.4	37.0	14.4	14.3	10.6
09/14	0.55	19.6	121.5	8.9	19.9	1,360.0	12.6	37.0	2.53	558.1	10.1	5,542.6	204.2	36.6			
06/14	0.95	8.6	210.7	13.3	6.7	1,583.8	8.8	36.7	2.44	537.9	10.0	5,390.7	195.6	36.4			
03/14	0.35	12.9	78.3	6.6	15.5	1,183.7	9.0	37.6	2.37	524.6	10.0	5,262.6	191.7	36.5			

Quarterly Growth Trend Data

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Quarterly Data									Last 12 Months Data									
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
12/13	0.68		147.6	10.4		1,415.1		35.0										
09/13	0.46		101.3	8.4		1,208.1		36.1										
06/13	0.88		197.4	13.6		1,455.8		37.4										
03/13	0.31		67.7	6.2		1,085.8		35.0										