

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 ag-

less than 1% of common; The Vangaurd 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.

ANNUAL RATES Past Past Est'd '20-'22 to '26-'28 10 Yrs. of change (per sh) 5 Yrs. 14.5% 18.0% 11.0% 11.0% Sales "Cash Flow" 13.0% 16.5% 18.0% 22.5% 9.5% 19.5% 14.5% 9.5% 11.5% 14.5% Earnings Dividends Book Value 9.5%

1155.6 3.9

905.3

2064.8

Accts Payable Debt Due Other

Current Liab.

1398.3 3.2 974.7

2376.2

1272.2 2.9 962.4

2237.5

Cal-	QUARTERLY SALES (\$ mill.) A				Full
endar	Mar.Per.Jun.Per.Sep.Per. Dec.Per.				Year
2020	1959	3176	2606	2878	10620
2021	2792	3601	3017	3319	12731
2022	3024	3903	3270	4006	14204
2023	3299	4185	<b>3605</b>	<b>3861</b>	<b>14950</b>
2024	3610	4590	3925	4275	16400
Cal-	EARNINGS PER SHARE A B				Full
endar	Mar.Per.Jun.Per.Sep.Per. Dec.Per.				Year
2020	.71	2.90	1.62	1.64	6.87
2021	1.55	3.19	1.95	1.92	8.61
2022	1.65	3.53	2.10	2.43	9.71
2023	1.65	3.83	<b>2.45</b>	<b>2.47</b>	<b>10.40</b>
2024	<b>2.05</b>	<b>4.43</b>	<b>2.60</b>	<b>2.92</b>	<b>12.00</b>
Cal-	QUARTERLY DIVIDENDS PAID C				Full
endar	Mar.31 Jun.30 Sep.30 Dec.31				Year
2019 2020 2021 2022 2023	.31 .35 .52 .92 1.03	.35 .35 .52 .92 1.03	.35 .40 .52 .92 1.03	.35 .40 .52 .92	1.36 1.50 2.08 3.68

Tractor Supply put an impressive second quarter in the books, earning \$3.83 per share. Financial results for the farm and ranch retailer continue to benefit from the Orschlen Farm and Home acquisition and recent store openings. In January, the company opened its largest distribution center (a 900,000 square foot facility in Navaree, Ohio), which continues to lower shipping costs, however, onboarding expenses limited some of the cost-saving potential period. Modest in the comparable-store sales growth of 2.5% reflected price increases taken in recent quarters, partially offset by some softness in demand for seasonal goods and bigticket items. Management expects similar, or slightly lower, same-store sales growth through the remainder of 2023. Comparative results in the third quarter will be favorably impacted by the Orscheln acquisition, which occurred in the fourth quarter of last year. Our full-year earnings-pershare forecast of \$10.40 includes a \$0.20 benefit related to the anticipated saleleaseback of several stores (described below) in the latter part of 2023. Management recently

updated the Lucas Vanarthos

long-term strategy. A new target of 3,000 locations in the U.S. represents a store increase from the prior blueprint, and includes a step-up to 80 openings in 2024, and 90 stores per year starting in 2025. Leadership is also engaging in the sale-leaseback of 117 existing stores over the next eight to ten years, in order to fund the new development program. The first 10-15 of these transactions are expected to occur in the second half of this year. New stores will also be sold and leased in a similar fashion, which should enable fixed-fee lease contracts and added control in development. Sales from the additional stores should more than offset the added lease expenses. We think a larger store footprint and a reduced share count, assuming the company continues to repurchase stock, augur well for per share earnings growth in 2024, and out to 2026-2028. Good-quality Tractor Supply shares are attractive. Performance over the next 18 months looks to be strong. Moreover, the midpoint of our 2026-2028 Target Price Range of \$355 suggests aboveaverage returns over that period.

(A) Fiscal year ends on the last Saturday in December. Quarterly figures may not add to to-

(B) Diluted earnings per share. Excludes non-recurring charges: '17, \$0.03; '19, \$0.02; '20, \$0.49. Next earnings report due late October. (C) Dividends paid in early March, June, Sep- (E) In mill. adjusted for stock splits.

tember, and December.
(D) Includes intangibles. In 2022: \$253.3 mill., \$2.30/share.

Company's Financial Strength Stock's Price Stability A+ 85 Price Growth Persistence **Earnings Predictability** 95

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