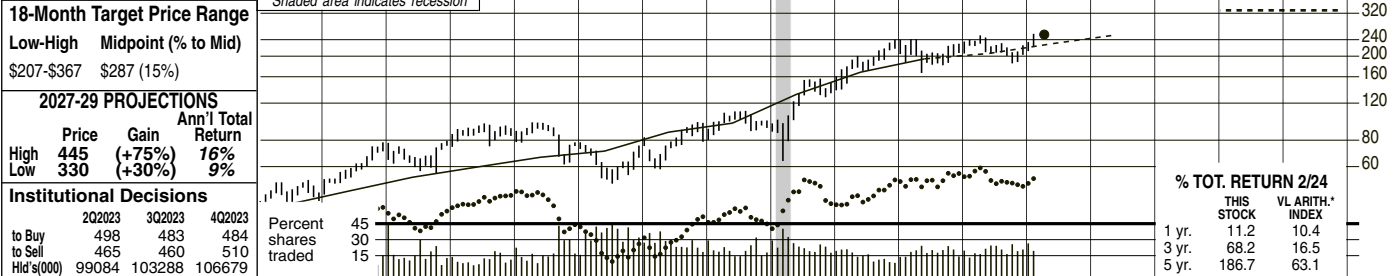


# TRACTOR SUPPLY CO. NDQ-TSCO

RECENT PRICE **253.26** P/E RATIO **23.4** (Trailing: 25.1 Median: 22.0) RELATIVE P/E RATIO **1.31** DIV'D YLD **1.7%** VALUE LINE **1149**

TIMELINESS <b>3</b> Lowered 7/14/23	High: 78.2	79.7	96.3	97.3	78.3	97.6	110.4	157.1	239.5	241.5	251.2	255.6		Target Price Range
SAFETY <b>2</b> Raised 6/19/20	Low: 44.3	55.9	74.5	61.5	49.9	58.3	80.3	63.9	138.1	166.5	185.0	211.8		2027 2028 2029
TECHNICAL <b>3</b> Raised 3/1/24	<b>LEGENDS</b> --- 15.0 x "Cash Flow" p sh .... Relative Price Strength 2-for-1 split 9/13 Options: Yes Shaded area indicates recession													
BETA .75 (1.00 = Market)														



2027-29 PROJECTIONS		Ann'l Total Return	
High	Price	Gain	Return
Low	445	(+75%)	16%
	330	(+30%)	9%

Institutional Decisions			
	202023	3Q2023	4Q2023
to Buy	498	483	484
to Sell	465	460	510
Hlds(000)	99084	103288	106679

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
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	128.84	133.42	<b>152.40</b>	<b>168.30</b>	Sales per sh <sup>A</sup>	226.55
.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	12.99	13.75	<b>16.85</b>	<b>16.85</b>	"Cash Flow" per sh	22.45
.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	10.09	<b>11.25</b>	<b>12.55</b>	Earnings per sh <sup>A B</sup>	17.65
--	--	.14	.22	.36	.49	.61	.76	.92	1.05	1.20	1.36	1.50	2.08	3.68	4.12	<b>4.40</b>	<b>4.75</b>	Div'ds Decl'd per sh <sup>C</sup>	5.80
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	18.53	19.71	<b>22.85</b>	<b>24.40</b>	Book Value per sh <sup>D</sup>	32.30
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	110.25	109.10	<b>105.00</b>	<b>102.50</b>	Common Shs Outst'g <sup>E</sup>	96.00
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	21.8			Avg Ann'l P/E Ratio	22.0
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	1.22			Relative P/E Ratio	1.20
--	--	.8%	.7%	.8%	.8%	.9%	.9%	1.1%	1.7%	1.5%	1.4%	1.2%	1.1%	1.8%	1.9%			Avg Ann'l Div'd Yield	1.5%

<b>CAPITAL STRUCTURE as of 12/30/23</b>																	
Total Debt \$1732.3 mill. Due in 5 Yrs \$200 mill.																	
LT Debt \$1729.0 mill. LT Interest \$45.0 mill.																	
Includes finance leases																	
(Total interest coverage: Over 25x) (45% of Cap'l)																	
<b>Leases, Uncapitalized</b> Annual rentals \$490 mill.																	
<b>No Defined Benefit Pension Plan</b>																	
<b>Pfd Stock None</b>																	
<b>Common Stock</b> 107,916,530 shs as of 1/27/24																	
<b>MARKET CAP: \$27.3 billion (Large Cap)</b>																	
<b>CURRENT POSITION</b>																	
	2021	2022	12/30/23														
Cash Assets	878.0	202.5	397.1														
Receivables	--	--	--														
Inventory (Avg Cst)	2191.2	2709.6	2645.9														
Other	181.2	245.7	220.9														
Current Assets	3250.4	3157.8	3263.9														
Accts Payable	1155.6	1398.3	1179.8														
Debt Due	3.9	3.2	3.3														
Other	905.3	974.7	994.0														
Current Liab.	2064.8	2376.2	2177.1														

**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 products (27% of 2023 sales); Companion Animal (25%); Seasonal & Recreation (22%); Truck, Tool, & Hardware (16%); Clothing, Gift, & Decor (10%). Operated 2,216 Tractor Supply stores and 198 Pet sense stores as of 12/30/23. Has about 50,000 employees. Officers/directors own less than 1% of common stock; The Vanguard Group, 11.8%; BlackRock, 9.1% (3/23 Proxy). Chairman: Edna Katherine Morris. President & CEO: Hal Lawton. Incorporated.: Delaware. Address.: 5401 Virginia Way, Brentwood, TN 37027. Telephone.: 615-440-4000. Internet: www.tractorsupply.com.

ANNUAL RATES				Past	Past	Est'd '21-'23
of change (per sh)				10 Yrs.	5 Yrs.	to '27-'29
Sales	13.5%	15.5%	11.0%			
"Cash Flow"	16.5%	19.5%	11.0%			
Earnings	17.0%	20.5%	11.5%			
Dividends	23.5%	22.0%	14.5%			
Book Value	9.0%	9.0%	9.5%			

Cal-ender	QUARTERLY SALES (\$ mill.) <sup>A</sup>				Full Year
	Mar.Per.	Jun.Per.	Sep.Per.	Dec.Per.	
2021	2792	3601	3017	3319	12731
2022	3024	3903	3270	4006	14204
2023	3299	4185	3412	3660	14556
2024	<b>3500</b>	<b>4500</b>	<b>3825</b>	<b>4175</b>	<b>16000</b>
2025	<b>3800</b>	<b>4800</b>	<b>4150</b>	<b>4500</b>	<b>17250</b>

Cal-ender	EARNINGS PER SHARE <sup>A B</sup>				Full Year
	Mar.Per.	Jun.Per.	Sep.Per.	Dec.Per.	
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	2.33	2.28	10.09
2024	<b>1.70</b>	<b>4.30</b>	<b>2.55</b>	<b>2.70</b>	<b>11.25</b>
2025	<b>1.85</b>	<b>4.75</b>	<b>2.90</b>	<b>3.05</b>	<b>12.55</b>

Cal-ender	QUARTERLY DIVIDENDS PAID <sup>C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2020	.35	.35	.40	.40	1.50
2021	.52	.52	.52	.52	2.08
2022	.92	.92	.92	.92	3.68
2023	1.03	1.03	1.03	1.03	4.12
2024	1.10				

**Tractor Supply reported mixed fourth-quarter results to close out 2023.** While not reflective of operating performance, the same period of 2022 included an extra sales week, which skewed results on a comparative basis. The one less week cost the retailer about \$200 million in sales. What's more, comparable-store sales also fell 4%, related to slower demand for cold weather products. The company opened its largest distribution center (a 900,000 square foot facility in Navaree, Ohio) in January, which contributed to lower shipping costs, and drove a 1.3% expansion in the gross margin, to 35.3%. However, the distribution center also resulted in higher depreciation and onboarding costs, which cut into the operating margin.

**Earnings prospects in 2024 are encouraging.** Continued new store development and a rebound in comparable store sales should result in decent profit gains this year. The company opened 18 net new stores in the December period, bringing the footprint to 2,414, with more on the way (mentioned below). We expect recent gross margin gains will continue through

the year, as pricing and mix become less of a drag on performance. **Management has updated the long-term targets.** The new objective is to reach 3,000 locations in the United States, including 80 new stores in 2024 and 90 stores annually from 2025 onward. Additionally, leadership is actively involved in a sale-leaseback initiative for 117 existing stores over the next eight to 10 years, with the aim of securing funds for the expansion. New stores will also be sold and leased in a similar manner. Management anticipates that the sales generated from these additional stores will more than compensate for the increased lease expenses. We also figure Tractor Supply will continue to repurchase a sizable amount of outstanding shares out to 2027-2029. **These neutrally ranked shares hold some investment merit.** For one, return prospects over the next 18 months look solid. Tractor Supply stock also offers above-average capital appreciation potential out to 2027-2029. We note the company scores well in both Financial Strength and Earnings Predictability (A and 95).

Lucas Vanarthos  
March 15, 2024

(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 April.	(C) Dividends paid in early March, June, September, and December.	(D) Includes intangibles. In 2023: \$269.5 mill., \$2.50/share.	(E) In mill. adjusted for stock splits.
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Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	80
Earnings Predictability	95

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