

ModernGraham Valuation

Company Name:

B&G Foods, Inc.

Company Ticker BGS

Date of Analysis

9/24/2015



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	\$2,117,890,716	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.26	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	157.14%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	33.27	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.44	Fail

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	3.26	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.79	Fail
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		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.10
MG Growth Estimate	9.06%
MG Value	\$29.22
MG Value based on 3% Growth	\$15.92
MG Value based on 0% Growth	\$9.33
Market Implied Growth Rate	12.38%

MG Opinion

Current Price	\$36.53
% of Intrinsic Value	125.02%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$17.28
Graham Number	\$15.97
PEmg	33.27
Current Ratio	3.26
PB Ratio	4.44
Dividend Yield	3.72%
Number of Consecutive Years of Dividend Growth	5

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.41	Next Fiscal Year Estimate	\$1.10
Dec14	\$0.76	Dec14	\$0.94
Dec13	\$0.98	Dec13	\$0.97
Dec12	\$1.20	Dec12	\$0.89
Dec11	\$1.04	Dec11	\$0.68
Dec10	\$0.67	Dec10	\$0.49
Dec09	\$0.44	Dec09	\$0.40
Dec08	\$0.27	Dec08	\$0.39
Dec07	\$0.54	Dec07	\$0.42
Dec06	\$0.42	Dec06	\$0.34
Dec05	\$0.29	Dec05	\$0.25
Dec04	\$0.51	Dec04	\$0.12
Dec03	\$0.00	Dec03	-\$0.12
Dec02	\$0.30	Dec02	-\$0.19
Dec01	-\$0.38	Dec01	-\$0.37
Dec00	-\$0.92	Dec00	-\$0.31
Dec99	\$0.00	Dec99	\$0.00
Dec98	\$0.00	Balance Sheet Information Jun15	
Dec97	\$0.00	Total Current Assets	\$289,559,000
Dec96	\$0.00	Total Current Liabilities	\$88,769,000
Dec95	\$0.00	Long-Term Debt	\$961,947,000
		Total Assets	\$1,734,903,000
		Intangible Assets	\$1,313,138,000
		Total Liabilities	\$1,268,942,000
		Shares Outstanding (Diluted Average)	56,683,000





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

[The 8 Best Stocks For Value Investors This Week – 6/27/15](#)
[B&G Foods Analysis – June 2015 Update \\$BGS](#)
[The Best Companies of the Food Processing Industry – June 2015](#)
[18 Companies in the Spotlight This Week – 3/21/15](#)
[B&G Foods Inc. Quarterly Valuation – March 2015 \\$BGS](#)

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[Hormel Foods Corporation Analysis – September 2015 Update \\$HRL](#)
[Dr Pepper Snapple Group Inc Analysis – September 2015 Update \\$DPS](#)
[Sysco Corporation Analysis – September 2015 Update \\$SYY](#)
[Coca-Cola Enterprises Inc. Analysis – September 2015 Update \\$CCE](#)
[Mead Johnson Nutrition Analysis – August 2015 Update \\$MJN](#)
[McCormick & Company Inc. Analysis – August 2015 Update \\$MKC](#)
[ConAgra Foods Inc. Analysis – August 2015 Update \\$CAG](#)
[Archer Daniels Midland Company Analysis – 2015 Update \\$ADM](#)
[J.M. Smucker Company Analysis – July 2015 Update \\$SJM](#)
[Keurig Green Mountain Inc. Analysis – Initial Coverage \\$GMCR](#)