

ModernGraham Valuation

Company Name:

SYSCO Corporation

Company Ticker SYY

Date of Analysis

9/8/2015



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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Earnings Growth		Fail
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Pass
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	Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.58
MG Growth Estimate	-2.63%
MG Value	\$5.10
MG Value based on 3% Growth	\$22.84
MG Value based on 0% Growth	\$13.39
Market Implied Growth Rate	8.47%

MG Opinion

Current Price	\$40.07
% of Intrinsic Value	786.31%
Opinion	Overvalued

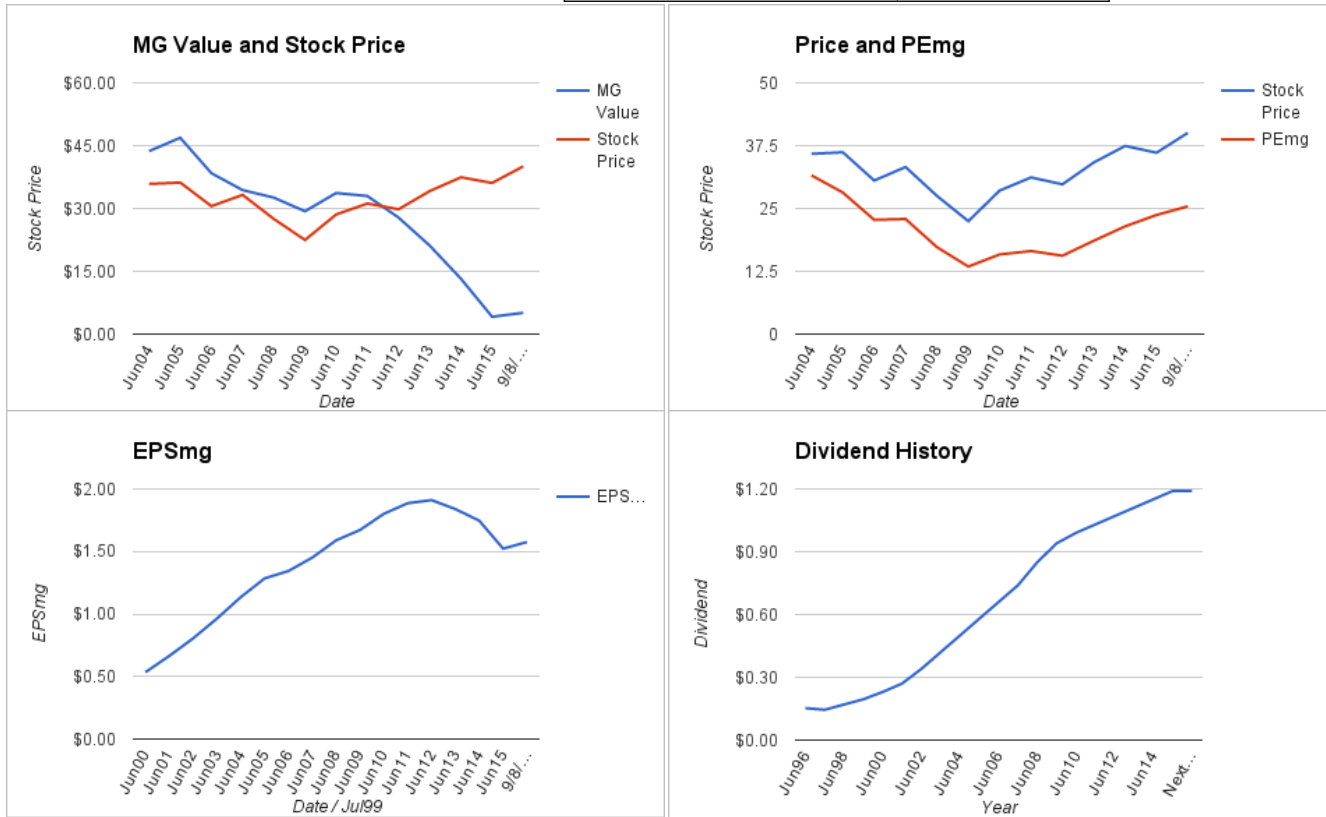
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.06
Graham Number	\$18.91
PEmg	25.44
Current Ratio	1.22
PB Ratio	4.56
Dividend Yield	2.97%
Number of Consecutive Years of Dividend Growth	20

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	\$1.81	Next Fiscal Year Estimate	\$1.58
Jun15	\$1.15	Jun15	\$1.52
Jun14	\$1.58	Jun14	\$1.75
Jun13	\$1.67	Jun13	\$1.84
Jun12	\$1.90	Jun12	\$1.91
Jun11	\$1.96	Jun11	\$1.89
Jun10	\$1.99	Jun10	\$1.80
Jun09	\$1.77	Jun09	\$1.67
Jun08	\$1.81	Jun08	\$1.59
Jun07	\$1.60	Jun07	\$1.45
Jun06	\$1.36	Jun06	\$1.34
Jun05	\$1.47	Jun05	\$1.28
Jun04	\$1.37	Jun04	\$1.14
Jun03	\$1.18	Jun03	\$0.96
Jun02	\$1.01	Jun02	\$0.81
Jun01	\$0.88	Jun01	\$0.66
Jun00	\$0.67	Jun00	\$0.53
Jun99	\$0.54	Balance Sheet Information Jun15	
Jun98	\$0.43	Total Current Assets	\$11,494,300,000
Jun97	\$0.43	Total Current Liabilities	\$9,399,615,000
Jun96	\$0.38	Long-Term Debt	\$2,271,825,000
		Total Assets	\$17,989,280,000
		Intangible Assets	\$2,114,625,000
		Total Liabilities	\$12,729,060,000
		Shares Outstanding (Diluted Average)	599,255,000



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:

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company**

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[Sysco Corporation Quarterly Valuation – May 2015 \\$SY](#)
[58 Companies in the Spotlight This Week – 1/31/15](#)
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[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](#)
[Monster Beverage Analysis – July 2015 Update \\$MNST](#)
[Tyson Foods Analysis – July 2015 Update \\$TSN](#)
[Mondelez International Inc. Analysis – 2015 Update \\$MDLZ](#)