

ModernGraham Valuation

Company Name:

J M Smucker Co

Company Ticker SJM

Date of Analysis

10/20/2015



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	\$13,824,905,391	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.91	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	47.97%	Pass
5. Earnings Growth	PEmg < 20	39.71	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.93	Pass
7. Moderate Price to Assets			

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	1.91	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.89	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
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	\$2.91
MG Growth Estimate	-3.75%
MG Value	\$2.93
MG Value based on 3% Growth	\$42.19
MG Value based on 0% Growth	\$24.73
Market Implied Growth Rate	15.61%

MG Opinion

Current Price	\$115.53
% of Intrinsic Value	3945.58%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$63.83
Graham Number	\$0.00
PEmg	39.71
Current Ratio	1.91
PB Ratio	1.93
Dividend Yield	2.22%
Number of Consecutive Years of Dividend Growth	14

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		Next Fiscal Year Estimate	
Apr15	\$3.33	Apr15	\$2.91
Apr14	\$5.42	Apr14	\$4.37
Apr13	\$5.00	Apr13	\$4.77
Apr12	\$4.06	Apr12	\$4.32
Apr11	\$4.05	Apr11	\$3.88
Apr10	\$4.15	Apr10	\$3.66
Apr09	\$3.11	Apr09	\$3.34
Apr08	\$3.00	Apr08	\$2.86
Apr07	\$2.76	Apr07	\$2.67
Apr06	\$2.45	Apr06	\$2.45
Apr05	\$2.24	Apr05	\$2.22
Apr04	\$2.24	Apr04	\$2.00
Apr03	\$2.02	Apr03	\$1.76
Apr02	\$1.31	Apr02	\$1.46
Apr01	\$1.12	Apr01	\$1.18
Apr00	\$0.97	Apr01	\$1.19
Apr99	\$1.31	Apr00	\$1.34
Apr98	\$1.08	Balance Sheet Information	
Apr97	\$2.28	Jul15	
Apr96	\$2.16	Total Current Assets	
		\$2,025,500,000	
		Total Current Liabilities	
		\$1,059,100,000	
		Long-Term Debt	
		\$5,694,700,000	
		Total Assets	
		\$16,758,400,000	
		Intangible Assets	
		\$12,893,100,000	
		Total Liabilities	
		\$9,628,400,000	
		Shares Outstanding (Diluted Average)	
		119,103,000	





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**

[J.M. Smucker Company Analysis – July 2015 Update \\$SJM](#)
[J.M. Smucker Company Quarterly Valuation – April 2015 \\$SJM](#)
[58 Companies in the Spotlight This Week – 1/31/15](#)
[J.M. Smucker Company Quarterly Valuation – January 2015 \\$SJM](#)
[13 Companies in the Spotlight This Week – 10/4/14](#)

**Other
ModernGraham
posts about related
companies**

[Keurig Green Mountain Inc. Valuation – October 2015 Update \\$GMCR](#)
[Monster Beverage Corporation Analysis – October 2015 Update \\$MNST](#)
[B&G Foods Inc. Analysis – September 2015 Update \\$BGS](#)
[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](#)