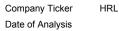
ModernGraham Valuation

Company Name:

Hormel Foods Corp



2/15/2016



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 c	of the Enterprise	Market Cap > \$2Bil	\$21,825,781,029	Pass
2. Sufficiently Stron	ng Financial Condition	Current Ratio > 2	1.70	Fail
Earnings Stabilit	у	Positive EPS for 10 years prior		Pass
4. Dividend Record	i	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	1	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	124.94%	Pass
6. Moderate PEmg	Ratio	PEmg < 20	33.72	Fail
7. Moderate Price	to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.61	Fail
Enterprising Investor; must pass 4 out of th	he following 5 tests, or b	e suitable for the Defensive Investor.		
1. Sufficiently Stron	ng Financial Condition	Current Ratio > 1.5	1.70	Pass
2. Sufficiently Stron	ng Financial Condition	Debt to NCA < 1.1	0.29	Pass
Earnings Stabilit	У	Positive EPS for 5 years prior		Pass
4. Dividend Record	i	Currently Pays Dividend		Pass
5. Earnings Growth	ı	EPSmg greater than 5 years ago		Pass

Suitability

MG Opinion

Us

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.23
MG Growth Estimate	7.87%
MG Value	\$29.82
MG Value based on 3% Growth	\$17.84
MG Value based on 0% Growth	\$10.46
Market Implied Growth Rate	12.61%
Current Price	\$41.49

% of Intrinsic Value		139.16%
Opinion	Overvalued	
MG Grade	C+	

Stage 3: Information for Further Research

	Net Current Asset Value (NCAV)		-\$0.15
	Graham Number		\$15.42
	PEmg		33.72
	Current Ratio		1.70
	PB Ratio		5.61
	Dividend Yield		1.21%
	Number of Consecutive Years of Divide Growth	end	20
eful Links:	ModernGraham tagged articles	Morningstar	
	Google Finance	MSN Money	
	Yahoo Finance	Seeking Alpha	
	GuruFocus	SEC Filings	

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.43	Next Fiscal Year Estimate	\$1.23
Oct2015	\$1.27	Oct2015	\$1.10
Oct2014	\$1.12	Oct2014	\$0.98
Oct2013	\$0.98	Oct2013	\$0.89
Oct2012	\$0.93	Oct2012	\$0.81
Oct2011	\$0.87	Oct2011	\$0.72
Oct2010	\$0.73	Oct2010	\$0.62
Oct2009	\$0.63	Oct2009	\$0.56
Oct2008	\$0.52	Oct2008	\$0.51
Oct2007	\$0.54	Oct2007	\$0.49
Oct2006	\$0.51	Oct2006	\$0.44
Oct2005	\$0.46	Oct2005	\$0.40
Oct2004	\$0.42	Oct2004	\$0.36
Oct2003	\$0.33	Oct2003	\$0.32
Oct2002	\$0.34	Oct2002	\$0.31
Oct2001	\$0.33	Oct2001	\$0.29
Oct2000	\$0.30	Oct2000	\$0.25
Oct1999	\$0.28	Balance Sheet Information	Oct2015
Oct1998	\$0.23	Total Current Assets	\$2,063,032,000
Oct1997	\$0.18	Total Current Liabilities	\$1,214,025,000
Oct1996	\$0.13	Long-Term Debt	\$250,000,000
		Total Assets	\$6,139,831,000
		Intangible Assets	\$2,526,703,000
		Total Liabilities	\$2,141,633,000
		Shares Outstanding (Diluted Average)	541,002,000





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	Hormel Foods Corporation Analysis – September 2015 Update \$HRL
	The 10 Best Stocks For Value Investors This Week – 6/20/15
	Hormel Foods Corporation Analysis – June 2015 Update \$HRL
	The Best Companies of the Food Processing Industry – June 2015
	18 Companies in the Spotlight This Week – 3/15/15

Other ModernGraham posts about related companies

J.M. Smucker Co Valuation – February 2016 \$SJM Archer-Daniels Midland Co Valuation – February 2016 \$ADM Keurig Green Mountain Inc Valuation – January 2016 Update \$GMCR Monster Beverage Corp Valuation – January 2016 Update \$MNST Monster Beverage Corp Valuation – January 2016 Update \$MNST Mead Johnson Nutrition Co Valuation – November 2015 Update \$MJN Archer Daniels Midland Valuation – November 2015 Update \$ADM The Best Companies of the Food Processing Industry – October 2015 J.M. Smucker Company Valuation – October 2015 Update \$SJM Keurig Green Mountain Inc. Valuation – October 2015 Update \$GMCR