

# ModernGraham Valuation



## Company Name:

Campbell Soup  
Company

Company Ticker CPB

Date of Analysis

7/17/2016

## 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 of the Enterprise	Market Cap > \$2Bil	\$20,589,876,640	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.86	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	0.82%	Fail
6. Moderate PEmg Ratio	PEmg < 20	28.88	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	12.36	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	0.86	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.62	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		Fail

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.31
MG Growth Estimate	-0.65%
<b>MG Value</b>	<b>\$16.60</b>
MG Value based on 3% Growth	\$33.45
MG Value based on 0% Growth	\$19.61
Market Implied Growth Rate	10.19%

### MG Opinion

Current Price	\$66.62
% of Intrinsic Value	401.25%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$14.03
Graham Number	\$17.60
PEmg	28.88
Current Ratio	0.86
PB Ratio	12.36
Current Dividend	\$1.25
Dividend Yield	1.87%
Number of Consecutive Years of Dividend Growth	0

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	\$2.54	Next Fiscal Year Estimate	\$2.31
Jul2015	\$2.21	Jul2015	\$2.20
Jul2014	\$2.59	Jul2014	\$2.21
Jul2013	\$1.44	Jul2013	\$2.07
Jul2012	\$2.41	Jul2012	\$2.41
Jul2011	\$2.42	Jul2011	\$2.42
Jul2010	\$2.42	Jul2010	\$2.38
Jul2009	\$2.06	Jul2009	\$2.30
Jul2008	\$3.06	Jul2008	\$2.30
Jul2007	\$2.16	Jul2007	\$1.86
Jul2006	\$1.85	Jul2006	\$1.67
Jul2005	\$1.71	Jul2005	\$1.55
Jul2004	\$1.57	Jul2004	\$1.48
Jul2003	\$1.45	Jul2003	\$1.46
Jul2002	\$1.28	Jul2002	\$1.48
Jul2001	\$1.55	Jul2001	\$1.58
Jul2000	\$1.65	Jul2000	\$1.58
Jul1999	\$1.63	<b>Balance Sheet Information 4/1/2016</b>	
Jul1998	\$1.44	Total Current Assets	\$2,042,000,000
Jul1997	\$1.51	Total Current Liabilities	\$2,377,000,000
Jul1996	\$1.61	Long-Term Debt	\$2,552,000,000
		Total Assets	\$8,081,000,000
		Intangible Assets	\$3,574,000,000
		Total Liabilities	\$6,405,000,000
		Shares Outstanding (Diluted Average)	311,000,000





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

- [5 Speculative and Overvalued Companies to Avoid – February 2015](#)
- [58 Companies in the Spotlight This Week – 1/31/15](#)
- [Campbell Soup Company Annual Valuation – 2015 \\$CPB](#)
- [14 Companies in the Spotlight This Week – 1/18/14](#)
- [ModernGraham Valuation: Campbell Soup Co. \(CPB\)](#)

Other ModernGraham posts about related companies

- [Kellogg Company Valuation – July 2016 \\$K](#)
- [Hershey Co Valuation – July 2016 \\$HSY](#)
- [PepsiCo Inc Valuation – July 2016 \\$PEP](#)
- [Mead Johnson Nutrition Valuation – June 2016 \\$MJN](#)
- [B&G Foods Inc Valuation – March 2016 \\$BGS](#)
- [Hormel Foods Corp Stock Valuation – February 2016 \\$HRL](#)
- [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](#)
- [Hormel Foods Corp Stock Valuation – February 2016 \\$HRL](#)