

# ModernGraham Valuation

Company Name:

B&G Foods, Inc.

Company Ticker BGS

Date of Analysis

8/30/2016



## 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  | \$3,169,651,215 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2  | 4.91            | Pass |
| 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 | 206.40%         | Pass |
| 6. Moderate PEmg Ratio                     | PEmg < 20  | 36.16           | Fail |
| 7. Moderate Price to Assets                | PB Ratio < 2.5 OR PB*PEmg < 50   | 4.77            | 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            | 4.91 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1              | 3.99 | 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

|                     |            |
|---------------------|------------|
| <b>Defensive</b>    | <b>No</b>  |
| <b>Enterprising</b> | <b>Yes</b> |

## Stage 2: Determination of Intrinsic Value

|                             |                |
|-----------------------------|----------------|
| EPSmg                       | \$1.30         |
| MG Growth Estimate          | 7.04%          |
| <b>MG Value</b>             | <b>\$29.45</b> |
| MG Value based on 3% Growth | \$18.92        |
| MG Value based on 0% Growth | \$11.09        |
| Market Implied Growth Rate  | 13.83%         |

### MG Opinion

|                      |                   |
|----------------------|-------------------|
| Current Price        | \$47.18           |
| % of Intrinsic Value | 160.18%           |
| <b>Opinion</b>       | <b>Overvalued</b> |
| <b>MG Grade</b>      | <b>C</b>          |

## Stage 3: Information for Further Research

|  |          |
|--|----------|
| Net Current Asset Value (NCAV)                 | -\$23.02 |
| Graham Number                                  | \$20.34  |
| PEmg   | 36.16    |
| Current Ratio                                  | 4.91     |
| PB Ratio                                       | 4.77     |
| Current Dividend                               | \$1.54   |
| Dividend Yield                                 | 3.26%    |
| Number of Consecutive Years of Dividend Growth | 6        |

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| EPS History               |         | EPSmg History                             |                 |
|---------------------------|---------|---|-----------------|
| Next Fiscal Year Estimate | \$1.85  | Next Fiscal Year Estimate                 | \$1.30          |
| Dec2015                   | \$1.22  | Dec2015                                   | \$1.03          |
| Dec2014                   | \$0.76  | Dec2014                                   | \$0.94          |
| Dec2013                   | \$0.98  | Dec2013                                   | \$0.97          |
| Dec2012                   | \$1.20  | Dec2012                                   | \$0.89          |
| Dec2011                   | \$1.04  | Dec2011                                   | \$0.69          |
| Dec2010                   | \$0.67  | Dec2010                                   | \$0.49          |
| Dec2009                   | \$0.44  | Dec2009                                   | \$0.40          |
| Dec2008                   | \$0.27  | Dec2008                                   | \$0.44          |
| Dec2007                   | \$0.54  | Dec2007                                   | \$0.51          |
| Dec2006                   | \$0.42  | Dec2006                                   | \$0.48          |
| Dec2005                   | \$0.29  | Dec2005                                   | \$0.43          |
| Dec2004                   | \$1.19  | Dec2004                                   | \$0.34          |
| Dec2003                   | \$0.00  | Dec2003                                   | -\$0.12         |
| Dec2002                   | \$0.30  | Dec2002                                   | -\$0.19         |
| Dec2001                   | -\$0.38 | Dec2001                                   | -\$0.37         |
| Dec2000                   | -\$0.92 | Dec2000                                   | -\$0.31         |
| Dec1999                   | \$0.00  | <b>Balance Sheet Information 6/1/2016</b> |                 |
| Dec1998                   | \$0.00  | Total Current Assets                      | \$486,765,000   |
| Dec1997                   | \$0.00  | Total Current Liabilities                 | \$99,130,000    |
| Dec1996                   | \$0.00  | Long-Term Debt                            | \$1,545,999,000 |
|                           |         | Total Assets                              | \$2,556,458,000 |
|                           |         | Intangible Assets                         | \$1,902,710,000 |
|                           |         | Total Liabilities                         | \$1,934,001,000 |
|                           |         | Shares Outstanding (Diluted Average)      | 62,872,000      |





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

[B&G Foods Inc Valuation – March 2016 \\$BGS](#)  
[B&G Foods Inc. Analysis – September 2015 Update \\$BGS](#)  
[B&G Foods Inc. Analysis – September 2015 Update \\$BGS](#)  
[The 8 Best Stocks For Value Investors This Week – 6/27/15](#)  
[B&G Foods Analysis – June 2015 Update \\$BGS](#)

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[Mondelez International Inc Valuation – August 2016 \\$MDLZ](#)  
[Hormel Foods Corp Valuation – August 2016 \\$HRL](#)  
[J.M. Smucker Co Valuation – August 2016 \\$SJM](#)  
[General Mills Inc Valuation – August 2016 \\$GIS](#)  
[Archer Daniels Midland Co – August 2016 \\$ADM](#)  
[Coca-Cola Co Valuation – July 2016 \\$KO](#)  
[Monster Beverage Corp Valuation – July 2016 \\$MNST](#)  
[Campbell Soup Company Valuation – July 2016 \\$CPB](#)  
[Kellogg Company Valuation – July 2016 \\$K](#)