# **ModernGraham Valuation**

**Company Name:** 

General Mills, Inc.

Company Ticker Date of Analysis

8/15/2016



# 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.

GIS

1. Adequate Size of the En	nterprise Market Cap > \$2Bil	\$42,472,044,709 Pass
2. Sufficiently Strong Finar	ncial Condition Current Ratio > 2	0.79 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	29.27% Fail
6. Moderate PEmg Ratio	PEmg < 20	26.32 Fail
7. Moderate Price to Asset	ts PB Ratio < 2.5 OR PB*PEmg < 50	8.82 Fail
Enterprising Investor; must pass 4 out of the follov	ving 5 tests, or be suitable for the Defensive Investor.	
1. Sufficiently Strong Finar	ncial Condition Current Ratio > 1.5	0.79 Fail
2. Sufficiently Strong Finar	ncial Condition Debt to NCA < 1.1	-6.55 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

Defensive	No
Enterprising	No

#### Stage 2: Determination of Intrinsic Value

	EPSmg		\$2.70
	MG Growth Estimate		1.05%
	MG Value		\$28.64
	MG Value based on 3% Growth		\$39.14
	MG Value based on 0% Growth		\$22.94
	Market Implied Growth Rate		8.91%
MG Opinion			
	Current Price		\$71.04
	% of Intrinsic Value		248.06%
	Opinion	Overvalued	
	MG Grade	D+	

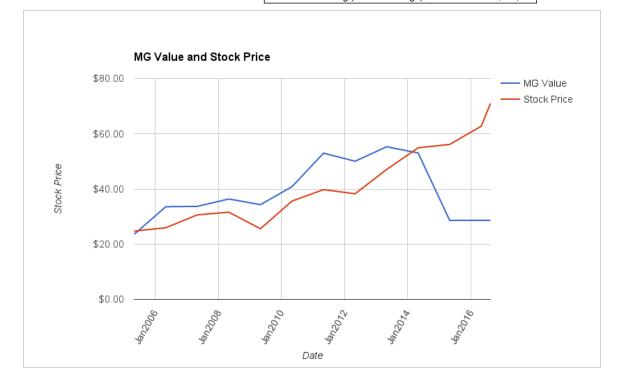
### Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$20.99
Graham Number	\$23.65
PEmg	26.32
Current Ratio	0.79
PB Ratio	8.82
Current Dividend	\$1.78
Dividend Yield	2.51%
Number of Consecutive Years of Dividend Growth	13

Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.01	Next Fiscal Year Estimate	\$2.70
May2016	\$2.77	May2016	\$2.54
May2015	\$1.97		\$2.46
May2014	\$2.83	May2014	\$2.67
May2013	\$2.79	May2013	\$2.52
May2012	\$2.35	May2012	\$2.33
May2011	\$2.70	May2011	\$2.23
May2010	\$2.24	May2010	\$1.93
May2009	\$1.90	May2009	\$1.74
May2008	\$1.86	May2008	\$1.62
May2007	\$1.59	May2007	\$1.48
May2006	\$1.45	May2006	\$1.36
May2005	\$1.54	May2005	\$1.27
May2004	\$1.30	May2004	\$1.1 <sup>°</sup>
May2003	\$1.22	May2003	\$1.0
May2002	\$0.67	May2002	\$0.88
May2001	\$1.14	May2001	\$0.95
May2000	\$1.00	Balance Sheet Information	5/1/2016
May1999	\$0.85	Total Current Assets	\$3,937,200,000
May1998	\$0.65	Total Current Liabilities	\$5,014,700,000
May1997	\$0.69	Long-Term Debt	\$7,057,700,000
		Total Assets	\$21,712,300,000
		Intangible Assets	\$13,279,800,000
		Total Liabilities	\$16,782,100,000
		Shares Outstanding (Diluted Average)	611,900,000





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	27 Companies in the Spotlight This Week – 4/4/15
	General Mills Inc. Annual Valuation – 2015 \$GIS
company	14 Companies in the Spotlight This Week - 4/12/14
	General Mills (GIS) Annual Valuation – 2014

Other Oraham	Archer Daniels Midland Co – August 2016 \$ADM
ModernGraham posts about related companies	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
	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