

ModernGraham Valuation

Company Name:

J M Smucker Co

Company Ticker SJM

Date of Analysis

8/20/2016



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	\$18,128,678,273	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.30	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	61.89%	Pass
6. Moderate PEmg Ratio	PEmg < 20	26.82	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.62	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	1.30	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	14.28	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	\$5.76
MG Growth Estimate	5.02%
MG Value	\$106.83
MG Value based on 3% Growth	\$83.59
MG Value based on 0% Growth	\$49.00
Market Implied Growth Rate	9.16%

MG Opinion

Current Price	\$154.61
% of Intrinsic Value	144.72%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$62.22
Graham Number	\$100.97
PEmg	26.82
Current Ratio	1.30
PB Ratio	2.62
Current Dividend	\$2.65
Dividend Yield	1.71%
Number of Consecutive Years of Dividend Growth	15

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	\$7.52	Next Fiscal Year Estimate	\$5.76
Apr2016	\$5.76	Apr2016	\$4.83
Apr2015	\$3.33	Apr2015	\$4.37
Apr2014	\$5.42	Apr2014	\$4.77
Apr2013	\$5.00	Apr2013	\$4.32
Apr2012	\$4.06	Apr2012	\$3.88
Apr2011	\$4.05	Apr2011	\$3.66
Apr2010	\$4.15	Apr2010	\$3.34
Apr2009	\$3.11	Apr2009	\$2.86
Apr2008	\$3.00	Apr2008	\$2.67
Apr2007	\$2.76	Apr2007	\$2.45
Apr2006	\$2.45	Apr2006	\$2.22
Apr2005	\$2.24	Apr2005	\$2.00
Apr2004	\$2.24	Apr2004	\$1.76
Apr2003	\$2.02	Apr2003	\$1.46
Apr2002	\$1.31	Apr2002	\$1.18
Apr2001	\$1.12	Apr2001	\$1.19
Apr2000	\$0.97	Balance Sheet Information 4/1/2016	
Apr1999	\$1.31	Total Current Assets	\$1,573,400,000
Apr1998	\$1.08	Total Current Liabilities	\$1,213,000,000
Apr1997	\$2.28	Long-Term Debt	\$5,146,000,000
		Total Assets	\$15,984,100,000
		Intangible Assets	\$12,585,500,000
		Total Liabilities	\$8,975,600,000
		Shares Outstanding (Diluted Average)	118,960,000





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 Co Valuation – February 2016 \\$SJM](#)
- [J.M. Smucker Company Valuation – October 2015 Update \\$SJM](#)
- [J.M. Smucker Company Valuation – October 2015 Update \\$SJM](#)
- [J.M. Smucker Company Analysis – July 2015 Update \\$SJM](#)
- [J.M. Smucker Company Quarterly Valuation – April 2015 \\$SJM](#)

Other ModernGraham posts about related companies

- [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](#)
- [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](#)