

# ModernGraham Valuation

Company Name:

Tyson Foods, Inc.

Company Ticker TSN

Date of Analysis

8/25/2016



## 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	\$27,870,694,755	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.80	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-2156.25%	Fail
6. Moderate PEmg Ratio	PEmg < 20	24.03	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.01	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	1.80	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.81	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	\$3.17
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$121.87</b>
MG Value based on 3% Growth	\$45.90
MG Value based on 0% Growth	\$26.91
Market Implied Growth Rate	7.77%

### MG Opinion

Current Price	\$76.07
% of Intrinsic Value	62.42%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$19.94
Graham Number	\$52.23
PEmg	24.03
Current Ratio	1.80
PB Ratio	3.01
Current Dividend	\$0.55
Dividend Yield	0.72%
Number of Consecutive Years of Dividend Growth	4

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.55	Next Fiscal Year Estimate	\$3.17
Sep2015	\$2.95	Sep2015	\$2.38
Sep2014	\$2.37	Sep2014	\$2.07
Sep2013	\$2.12	Sep2013	\$1.70
Sep2012	\$1.58	Sep2012	\$1.28
Sep2011	\$1.97	Sep2011	\$0.99
Sep2010	\$2.06	Sep2010	\$0.40
Sep2009	-\$1.47	Sep2009	-\$0.28
Sep2008	\$0.24	Sep2008	\$0.38
Sep2007	\$0.75	Sep2007	\$0.52
Sep2006	-\$0.58	Sep2006	\$0.51
Sep2005	\$1.04	Sep2005	\$1.01
Sep2004	\$1.13	Sep2004	\$0.95
Sep2003	\$0.96	Sep2003	\$0.84
Sep2002	\$1.08	Sep2002	\$0.74
Sep2001	\$0.40	Sep2001	\$0.58
Sep2000	\$0.67	Sep2000	\$0.65
Sep1999	\$1.00	<b>Balance Sheet Information 6/1/2016</b>	
Sep1998	\$0.11	Total Current Assets	\$4,881,000,000
Sep1997	\$0.85	Total Current Liabilities	\$2,713,000,000
Sep1996	\$0.40	Long-Term Debt	\$6,099,000,000
		Total Assets	\$22,410,000,000
		Intangible Assets	\$11,773,000,000
		Total Liabilities	\$12,619,000,000
		Shares Outstanding (Diluted Average)	388,000,000





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:

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[5 Undervalued Companies to Research with a Low Beta – May 2015](#)  
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[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](#)