

ModernGraham Valuation

Company Name:

Conagra Brands Inc

Company Ticker CAG

Date of Analysis

12/29/2016



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	\$17,326,784,282	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.92	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	-111.64%	Fail
6. Moderate PEmg Ratio	PEmg < 20	222.43	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.86	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	1.92	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.01	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.18
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$2.60
MG Value based on 0% Growth	\$1.52
Market Implied Growth Rate	106.97%

MG Opinion

Current Price	\$39.89
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$7.98
Graham Number	\$18.68
PEmg	222.43
Current Ratio	1.92
PB Ratio	3.86
Current Dividend	\$1.00
Dividend Yield	2.51%
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	\$1.49	Next Fiscal Year Estimate	\$0.18
May2016	-\$1.56	May2016	-\$0.22
May2015	-\$0.59	May2015	\$0.63
May2014	\$0.70	May2014	\$1.31
May2013	\$1.85	May2013	\$1.65
May2012	\$1.12	May2012	\$1.61
May2011	\$1.88	May2011	\$1.84
May2010	\$1.62	May2010	\$1.76
May2009	\$2.15	May2009	\$1.74
May2008	\$1.90	May2008	\$1.51
May2007	\$1.51	May2007	\$1.32
May2006	\$1.03	May2006	\$1.27
May2005	\$1.23	May2005	\$1.39
May2004	\$1.53	May2004	\$1.41
May2003	\$1.44	May2003	\$1.27
May2002	\$1.47	May2002	\$1.16
May2001	\$1.25	May2001	\$1.03
May2000	\$0.80	Balance Sheet Information 11/1/2016	
May1999	\$0.65	Total Current Assets	\$3,345,000,000
May1998	\$1.32	Total Current Liabilities	\$1,745,400,000
May1997	\$1.34	Long-Term Debt	\$3,214,300,000
		Total Assets	\$11,425,000,000
		Intangible Assets	\$5,509,600,000
		Total Liabilities	\$6,867,700,000
		Shares Outstanding (Diluted Average)	441,300,000





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.

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