

ModernGraham Valuation

Company Name:

SYSCO Corporation

Company Ticker SYY

Date of Analysis

1/25/2017



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	\$29,014,701,918	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.52	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	-6.82%	Fail
6. Moderate PEmg Ratio	PEmg < 20	29.65	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	9.85	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	1.52	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.83	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.79
MG Growth Estimate	-0.40%
MG Value	\$13.77
MG Value based on 3% Growth	\$25.95
MG Value based on 0% Growth	\$15.21
Market Implied Growth Rate	10.57%

MG Opinion

Current Price	\$53.05
% of Intrinsic Value	385.28%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$12.24
Graham Number	\$17.20
PEmg	29.65
Current Ratio	1.52
PB Ratio	9.85
Current Dividend	\$1.24
Dividend Yield	2.34%
Number of Consecutive Years of Dividend Growth	20

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	\$2.40	Next Fiscal Year Estimate	\$1.79
Jun2016	\$1.64	Jun2016	\$1.52
Jun2015	\$1.15	Jun2015	\$1.52
Jun2014	\$1.58	Jun2014	\$1.75
Jun2013	\$1.67	Jun2013	\$1.84
Jun2012	\$1.90	Jun2012	\$1.91
Jun2011	\$1.96	Jun2011	\$1.89
Jun2010	\$1.99	Jun2010	\$1.80
Jun2009	\$1.77	Jun2009	\$1.67
Jun2008	\$1.81	Jun2008	\$1.59
Jun2007	\$1.60	Jun2007	\$1.45
Jun2006	\$1.36	Jun2006	\$1.34
Jun2005	\$1.47	Jun2005	\$1.28
Jun2004	\$1.37	Jun2004	\$1.14
Jun2003	\$1.18	Jun2003	\$0.96
Jun2002	\$1.01	Jun2002	\$0.81
Jun2001	\$0.88	Jun2001	\$0.67
Jun2000	\$0.67	Balance Sheet Information	9/1/2016
Jun1999	\$0.54	Total Current Assets	\$8,135,470,000
Jun1998	\$0.43	Total Current Liabilities	\$5,366,550,000
Jun1997	\$0.43	Long-Term Debt	\$7,843,517,000
		Total Assets	\$18,024,810,000
		Intangible Assets	\$5,019,562,000
		Total Liabilities	\$15,004,024,000
		Shares Outstanding (Diluted Average)	560,954,000





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

- [Sysco Corporation Analysis – September 2015 Update \\$SYY](#)
- [21 Companies in the Spotlight This Week – 5/9/15](#)
- [Sysco Corporation Quarterly Valuation – May 2015 \\$SYY](#)
- [58 Companies in the Spotlight This Week – 1/31/15](#)
- [Sysco Corporation Quarterly Valuation – January 2015 \\$SYY](#)

Other
ModernGraham
posts about related
companies

- [General Mills Inc Valuation – January 2017 \\$GIS](#)
- [Coca-Cola European Partners PLC Valuation – January 2017 \\$CCE](#)
- [Archer Daniels Midland Company Valuation – January 2017 \\$ADM](#)
- [McCormick & Company Valuation – January 2017 \\$MKC](#)
- [Conagra Brands Inc Valuation – December 2016 \\$CAG](#)
- [Seneca Foods Corp Valuation – Initial Coverage \\$SENEA](#)
- [Ingredion Inc Valuation – Initial Coverage \\$INGR](#)
- [Saputo Inc Valuation – Initial Coverage \\$SAP](#)
- [Best Stocks to Invest In: the Food Processing Industry – August 2016](#)
- [B&G Foods Inc Valuation – August 2016 \\$BGS](#)