

# ModernGraham Valuation

Company Name:

Sonoco Products Co

Company Ticker SON

Date of Analysis

2/6/2017



## 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	\$5,506,691,951	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.67	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	34.03%	Pass
6. Moderate PEmg Ratio	PEmg < 20	24.14	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.57	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	1.67	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.73	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
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.28
MG Growth Estimate	2.98%
<b>MG Value</b>	<b>\$32.94</b>
MG Value based on 3% Growth	\$33.05
MG Value based on 0% Growth	\$19.37
Market Implied Growth Rate	7.82%

### MG Opinion

Current Price	\$55.03
% of Intrinsic Value	167.06%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.82
Graham Number	\$28.97
PEmg	24.14
Current Ratio	1.67
PB Ratio	3.57
Current Dividend	\$1.44
Dividend Yield	2.62%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.38	Next Fiscal Year Estimate	\$2.28
Dec2015	\$2.44	Dec2015	\$2.20
Dec2014	\$2.19	Dec2014	\$2.07
Dec2013	\$2.03	Dec2013	\$1.97
Dec2012	\$1.90	Dec2012	\$1.90
Dec2011	\$2.13	Dec2011	\$1.89
Dec2010	\$1.96	Dec2010	\$1.79
Dec2009	\$1.50	Dec2009	\$1.72
Dec2008	\$1.63	Dec2008	\$1.80
Dec2007	\$2.10	Dec2007	\$1.83
Dec2006	\$1.92	Dec2006	\$1.66
Dec2005	\$1.61	Dec2005	\$1.48
Dec2004	\$1.53	Dec2004	\$1.41
Dec2003	\$1.43	Dec2003	\$1.38
Dec2002	\$1.39	Dec2002	\$1.41
Dec2001	\$0.96	Dec2001	\$1.36
Dec2000	\$1.66	Dec2000	\$1.49
Dec1999	\$1.83	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$1.73	Total Current Assets	\$1,480,207,000
Dec1997	-\$0.01	Total Current Liabilities	\$885,697,000
Dec1996	\$1.57	Long-Term Debt	\$1,030,338,000
		Total Assets	\$4,044,549,000
		Intangible Assets	\$1,294,264,000
		Total Liabilities	\$2,477,956,000
		Shares Outstanding (Diluted Average)	101,579,000





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

#N/A

Other  
ModernGraham  
posts about related  
companies

- [WestRock Co Valuation – August 2016 \\$WRK](#)
- [Bemis Company Inc Valuation – July 2016 \\$BMS](#)
- [Owens-Illinois Inc Valuation – June 2016 \\$OI](#)
- [Bemis Co Inc Valuation – January 2016 Update \\$BMS](#)
- [WestRock Co Valuation – January 2016 Update \\$WRK](#)
- [International Paper Co Valuation – December 2015 Update \\$IP](#)
- [Bemis Company Inc. Analysis – September 2015 Update \\$BMS](#)
- [WestRock Co. Analysis – Initial Coverage \\$WRK](#)
- [International Paper Company Analysis – September 2015 Update \\$IP](#)
- [Ball Corporation Analysis – 2015 Update \\$BLL](#)