ModernGraham Valuation

Company Name: Mondelez International Inc

Company Ticker	MDLZ
Date of Analysis	3/27/2017

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	$66,121,306,719	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.59	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	18.20%	Fail
6. Moderate PEmg Ratio	PEmg < 20	20.30	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.72	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	0.59	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.23	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

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg	$2.14
MG Growth Estimate	0.75%
MG Value	**$21.46**
MG Value based on 3% Growth	$31.10
MG Value based on 0% Growth	$18.23
Market Implied Growth Rate	5.90%

MG Opinion

Current Price	$43.53
% of Intrinsic Value	202.80%
Opinion	**Overvalued**
MG Grade	**D**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$17.73
Graham Number	$26.94
PEmg	20.30
Current Ratio	0.59
PB Ratio	2.72
Current Dividend	$0.72
Dividend Yield	1.65%
Number of Consecutive Years of Dividend Growth	4

EPS History		EPSmg History	
Next Fiscal Year Estimate	$1.98	Next Fiscal Year Estimate	$2.14
Dec2016	$1.05	Dec2016	$2.20
Dec2015	$4.44	Dec2015	$2.62
Dec2014	$1.28	Dec2014	$1.78
Dec2013	$2.19	Dec2013	$2.04
Dec2012	$1.71	Dec2012	$1.98
Dec2011	$2.01	Dec2011	$2.07
Dec2010	$2.39	Dec2010	$2.06
Dec2009	$2.03	Dec2009	$1.86
Dec2008	$1.90	Dec2008	$1.75
Dec2007	$1.62	Dec2007	$1.68
Dec2006	$1.85	Dec2006	$1.74
Dec2005	$1.55	Dec2005	$1.67
Dec2004	$1.55	Dec2004	$1.69
Dec2003	$2.01	Dec2003	$1.69
Dec2002	$1.96	Dec2002	$1.48
Dec2001	$1.17	Dec2001	$1.15
Dec2000	$1.38	**Balance Sheet Information**	**12/1/2016**
Dec1999	$1.20	Total Current Assets	$8,480,000,000
Dec1998	$1.12	Total Current Liabilities	$14,417,000,000
Dec1997	$0.00	Long-Term Debt	$13,217,000,000
		Total Assets	$61,538,000,000
		Intangible Assets	$38,377,000,000
		Total Liabilities	$36,377,000,000
		Shares Outstanding (Diluted Average)	1,573,000,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History

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	5 Speculative and Overvalued Companies to Avoid – July 2015
	Mondelez International Inc. Analysis – 2015 Update $MDLZ
	Mondelez International Annual Valuation – 2014 $MDLZ

Other ModernGraham posts about related companies	Calavo Growers Inc Valuation – Initial Coverage $CVGW
	Hormel Foods Corp Valuation – March 2017 $HRL
	Lancaster Colony Corp Valuation – Initial Coverage $LANC
	J M Smucker Co Valuation – February 2017 $SJM
	Kraft Heinz Co Valuation – Initial Coverage $KHC
	Dr Pepper Snapple Group Inc Valuation – January 2017 $DPS
	J&J Snack Foods Corp Valuation – Initial Coverage $JJSF
	Sysco Corporation Valuation – January 2017 $SYY
	General Mills Inc Valuation – January 2017 $GIS
	Coca-Cola European Partners PLC Valuation – January 2017 $CCE