

ModernGraham Valuation

Company Name:

Tyson Foods, Inc.

Company Ticker TSN

Date of Analysis

7/16/2017



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	\$22,170,641,849	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.62	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	1430.12%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	15.37	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.32	Pass

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	1.62	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.09	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.00
MG Growth Estimate	15.00%
MG Value	\$153.82
MG Value based on 3% Growth	\$57.93
MG Value based on 0% Growth	\$33.96
Market Implied Growth Rate	3.43%

MG Opinion

Current Price	\$61.39
% of Intrinsic Value	39.91%
Opinion	Undervalued
MG Grade	B-

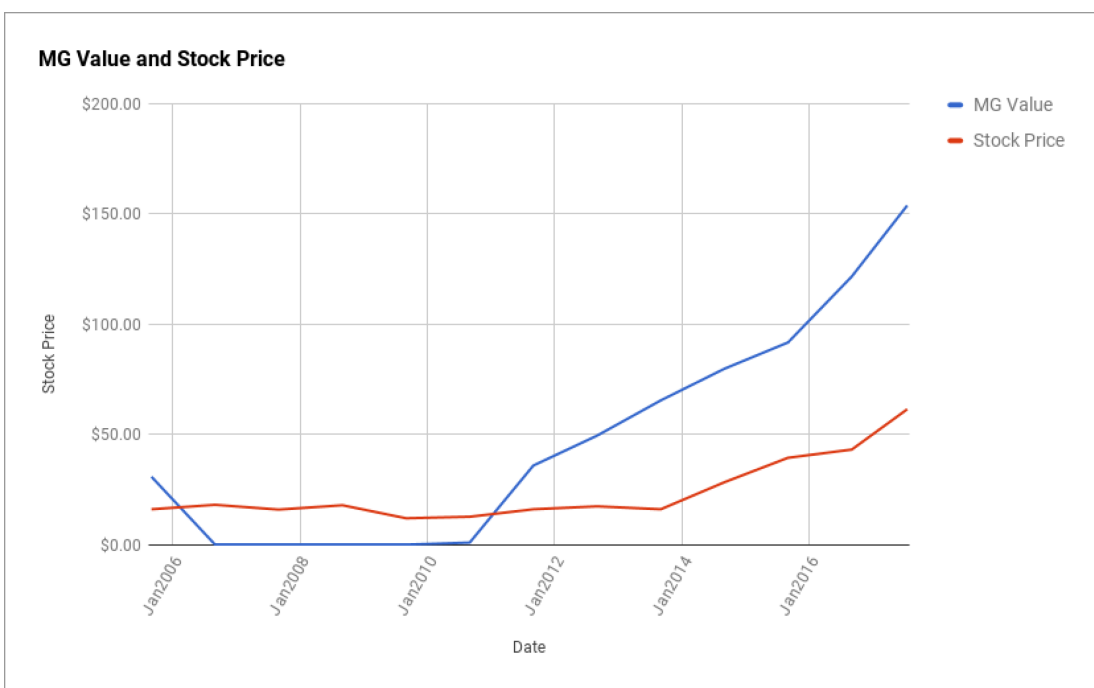
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$21.10
Graham Number	\$55.42
PEmg	15.37
Current Ratio	1.62
PB Ratio	2.32
Current Dividend	\$0.60
Dividend Yield	0.98%
Number of Consecutive Years of Dividend Growth	4

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	\$5.22	Next Fiscal Year Estimate	\$4.00
Sep2016	\$4.53	Sep2016	\$3.16
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	Balance Sheet Information 3/1/2017	
Sep1999	\$1.00	Total Current Assets	\$5,017,000,000
Sep1998	\$0.11	Total Current Liabilities	\$3,106,000,000
Sep1997	\$0.85	Long-Term Debt	\$5,905,000,000
		Total Assets	\$22,596,000,000
		Intangible Assets	\$11,705,000,000
		Total Liabilities	\$12,825,000,000
		Shares Outstanding (Diluted Average)	370,000,000





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:

Other ModernGraham posts about the company

- [5 Undervalued Companies for Value Investors with a Low Beta – February 2017](#)
- [5 Undervalued Companies for Value Investors with a Low Beta – January 2017](#)
- [10 Stocks for Using A Benjamin Graham Value Investing Strategy – January 2017](#)
- [5 Undervalued Companies for Value Investors with a Low Beta – December 2016](#)
- [5 Undervalued Companies for Value Investors with a Low Beta – September 2016](#)

Other ModernGraham posts about related companies

- [Darling Ingredients Inc Valuation – Initial Coverage \\$DAR](#)
- [Mondelez International Inc Valuation – March 2017 \\$MDLZ](#)
- [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 \\$JJSE](#)
- [Sysco Corporation Valuation – January 2017 \\$SY](#)