

# ModernGraham Valuation

## Company Name:

Company Ticker CPB  
Date of Analysis

Campbell Soup  
Company

9/9/2017



## 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	\$14,854,624,440	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.79	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	15.24%	Fail
5. Earnings Growth	PEmg < 20	17.89	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	8.88	Fail
7. Moderate Price to Assets			

*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	0.79	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-5.05	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.68
MG Growth Estimate	2.76%
<b>MG Value</b>	<b>\$37.55</b>
MG Value based on 3% Growth	\$38.85
MG Value based on 0% Growth	\$22.77
Market Implied Growth Rate	4.69%

### MG Opinion

Current Price	\$47.92
% of Intrinsic Value	127.62%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$13.71
Graham Number	\$19.89
PEmg	17.89
Current Ratio	0.79
PB Ratio	8.88
Current Dividend	\$1.40
Dividend Yield	2.92%
Number of Consecutive Years of Dividend Growth	1

### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)  
[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.24	Next Fiscal Year Estimate	\$2.68
Jul2017	\$2.89	Jul2017	\$2.33
Jul2016	\$1.81	Jul2016	\$2.07
Jul2015	\$2.13	Jul2015	\$2.21
Jul2014	\$2.74	Jul2014	\$2.26
Jul2013	\$1.44	Jul2013	\$2.07
Jul2012	\$2.41	Jul2012	\$2.41
Jul2011	\$2.42	Jul2011	\$2.41
Jul2010	\$2.42	Jul2010	\$2.37
Jul2009	\$2.05	Jul2009	\$2.28
Jul2008	\$3.03	Jul2008	\$2.29
Jul2007	\$2.16	Jul2007	\$1.86
Jul2006	\$1.85	Jul2006	\$1.67
Jul2005	\$1.71	Jul2005	\$1.55
Jul2004	\$1.57	Jul2004	\$1.48
Jul2003	\$1.45	Jul2003	\$1.46
Jul2002	\$1.28	Jul2002	\$1.48
Jul2001	\$1.55	<b>Balance Sheet Information 7/1/2017</b>	
Jul2000	\$1.65	Total Current Assets	\$1,900,000,000
Jul1999	\$1.63	Total Current Liabilities	\$2,395,000,000
Jul1998	\$1.44	Long-Term Debt	\$2,499,000,000
		Total Assets	\$7,726,000,000
		Intangible Assets	\$3,233,000,000
		Total Liabilities	\$6,081,000,000
		Shares Outstanding (Diluted Average)	305,000,000





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 Speculative and Overvalued Companies to Avoid – February 2015](#)
- [58 Companies in the Spotlight This Week – 1/31/15](#)
- [Campbell Soup Company Annual Valuation – 2015 \\$CPB](#)
- [14 Companies in the Spotlight This Week – 1/18/14](#)
- [ModernGraham Valuation: Campbell Soup Co. \(CPB\)](#)

**Other ModernGraham posts about related companies**

- [George Weston Limited Valuation – Initial Coverage \\$TSE:WN](#)
- [Tyson Foods Inc Valuation – July 2017 \\$TSN](#)
- [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](#)