ModernGraham Valuation

McCormick & Company, Incorporated



Company Name:

Company Ticker MKC

Date of Analysis

5/2/2018

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.

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	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$13,340,997,112	Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.86	Fail
	3. Earnings Stability	Positive EPS for 10 years prior		Pass
	Dividend Record	Dividend Payments for 10 years prior		Pass
		Increase of 33% in EPS in past 10 years using 3 year averages at		
	5. Earnings Growth	beginning and end	56.59%	Pass
	Moderate PEmg Ratio	PEmg < 20	25.57	Fail
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.41	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	0.86 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-16.49 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass
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Score

Suitability

Defensive No Enterprising Nο

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.97
MG Growth Estimate	4.53%
MG Value	\$69.76
MG Value based on 3% Growth	\$57.62
MG Value based on 0% Growth	\$33.78
Market Implied Growth Rate	8.54%

MG Opinion

Current Price \$101.62 145.67% % of Intrinsic Value

Opinion Overvalued MG Grade C-

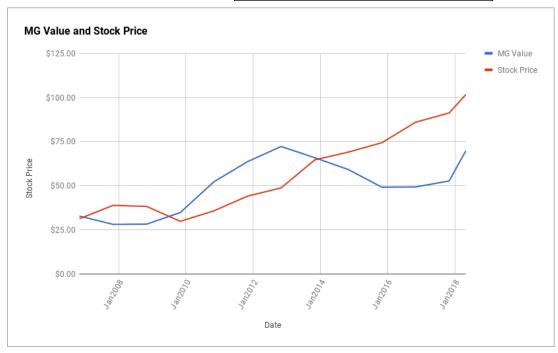
Stage 3: Information for Further Research

-\$42.87
\$46.04
25.57
0.86
4.41
\$1.88
1.85%
20

Useful Links: ModernGraham tagged articles

Morningstar MSN Money **Google Finance** Yahoo Finance Seeking Alpha GuruFocus SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$3.97
Nov2017	\$3.72	Nov2017	\$3.49
Nov2016	\$3.69	Nov2016	\$3.32
Nov2015	\$3.11	Nov2015	\$3.10
Nov2014	\$3.34	Nov2014	\$3.05
Nov2013	\$2.91	Nov2013	\$2.86
Nov2012	\$3.04	Nov2012	\$2.74
Nov2011	\$2.79	Nov2011	\$2.49
Nov2010	\$2.75	Nov2010	\$2.24
Nov2009	\$2.27	Nov2009	\$1.92
Nov2008	\$1.94	Nov2008	\$1.72
Nov2007	\$1.73	Nov2007	\$1.59
Nov2006	\$1.50	Nov2006	\$1.50
Nov2005	\$1.56	Nov2005	\$1.46
Nov2004	\$1.52	Nov2004	\$1.36
Nov2003	\$1.48	Nov2003	\$1.22
Nov2002	\$1.26	Nov2002	\$1.04
Nov2001	\$1.05	Balance Sheet Information	2/1/2018
Nov2000	\$0.99	Total Current Assets	\$1,606,000,000
Nov1999	\$0.72	Total Current Liabilities	\$1,871,500,000
Nov1998	\$0.71	Long-Term Debt	\$4,378,600,000
		Total Assets	\$10,363,000,000
		Intangible Assets	\$7,533,100,000
		Total Liabilities	\$7,302,800,000
		Shares Outstanding (Diluted Average)	132,900,000





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

McCormick & Company Valuation - January 2017 \$MKC

McCormick & Company Inc. Analysis - August 2015 Update \$MKC

20 Companies in the Spotlight This Week - 8/16/14

McCormick & Company Inc. Annual Valuation - 2014 \$MKC

Other ModernGraham posts about related companies

Monster Beverage Corp Valuation - April 2018 \$MNST

Campbell Soup Co Valuation - March 2018 \$CPB

Kellogg Company Valuation - March 2018 \$K

Hershey Co Valuation - March 2018 \$HSY

PepsiCo Inc Valuation - March 2018 \$PEP

The Coca-Cola Co Valuation – February 2018 \$KO

Campbell Soup Company Valuation – September 2017 \$CPB

Post Holdings Inc Valuation - Initial Coverage \$POST

Dean Foods Co Valuation - Initial Coverage \$DF George Weston Limited Valuation - Initial Coverage \$TSE:WN