

# ModernGraham Valuation

Company Name:

J M Smucker Co

Company Ticker SJM

Date of Analysis

5/20/2018



## 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.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$12,645,860,267	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.48	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	104.16%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	14.60	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.56	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	1.48	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	9.02	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>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$7.39
MG Growth Estimate	8.26%
<b>MG Value</b>	<b>\$184.97</b>
MG Value based on 3% Growth	\$107.21
MG Value based on 0% Growth	\$62.85
Market Implied Growth Rate	3.05%

### MG Opinion

Current Price	\$107.94
% of Intrinsic Value	58.36%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>A</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$52.35
Graham Number	\$128.91
PEmg	14.60
Current Ratio	1.48
PB Ratio	1.56
Current Dividend	\$2.92
Dividend Yield	2.71%
Number of Consecutive Years of Dividend Growth	15

### 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	\$12.23	Next Fiscal Year Estimate	\$7.39
Apr2017	\$5.10	Apr2017	\$4.96
Apr2016	\$5.76	Apr2016	\$4.83
Apr2015	\$3.33	Apr2015	\$4.37
Apr2014	\$5.42	Apr2014	\$4.77
Apr2013	\$5.00	Apr2013	\$4.32
Apr2012	\$4.06	Apr2012	\$3.88
Apr2011	\$4.05	Apr2011	\$3.66
Apr2010	\$4.15	Apr2010	\$3.34
Apr2009	\$3.11	Apr2009	\$2.86
Apr2008	\$3.00	Apr2008	\$2.67
Apr2007	\$2.76	Apr2007	\$2.45
Apr2006	\$2.45	Apr2006	\$2.22
Apr2005	\$2.24	Apr2005	\$2.00
Apr2004	\$2.24	Apr2004	\$1.76
Apr2003	\$2.02	Apr2003	\$1.46
Apr2002	\$1.31	Apr2002	\$1.18
Apr2001	\$1.12	<b>Balance Sheet Information 1/1/2018</b>	
Apr2000	\$0.97	Total Current Assets	\$1,609,900,000
Apr1999	\$1.31	Total Current Liabilities	\$1,089,900,000
Apr1998	\$1.08	Long-Term Debt	\$4,688,500,000
		Total Assets	\$15,329,200,000
		Intangible Assets	\$11,920,200,000
		Total Liabilities	\$7,525,000,000
		Shares Outstanding (Diluted Average)	113,000,000





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

[J.M. Smucker Co Valuation – February 2017 \\$SJM](#)  
[J.M. Smucker Co Valuation – August 2016 \\$SJM](#)  
[J.M. Smucker Co Valuation – February 2016 \\$SJM](#)  
[J.M. Smucker Company Valuation – October 2015 Update \\$SJM](#)  
[J.M. Smucker Company Analysis – July 2015 Update \\$SJM](#)

Other  
ModernGraham  
posts about related  
companies

[Dr Pepper Snapple Group Inc Valuation – May 2018 \\$DPS](#)  
[Sysco Corp Valuation – May 2018 \\$SY](#)  
[General Mills Inc Valuation – May 2018 \\$GIS](#)  
[Archer-Daniels Midland Co Valuation – May 2018 \\$ADM](#)  
[Conagra Brands Inc Valuation – May 2018 \\$CAG](#)  
[McCormick & Co Inc Valuation – May 2018 \\$MKC](#)  
[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](#)