

ModernGraham Valuation

Company Name:

SYSCO Corporation

Company Ticker SY Y

Date of Analysis

5/7/2018



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	\$33,072,896,304	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.38	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	10.66%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	31.56	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	14.75	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	1.38	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.63	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	\$2.01
MG Growth Estimate	2.28%
MG Value	\$26.27
MG Value based on 3% Growth	\$29.16
MG Value based on 0% Growth	\$17.10
Market Implied Growth Rate	11.53%

MG Opinion

Current Price	\$63.48
% of Intrinsic Value	241.68%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

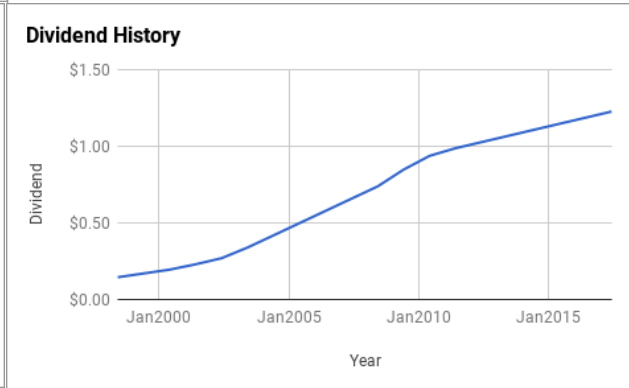
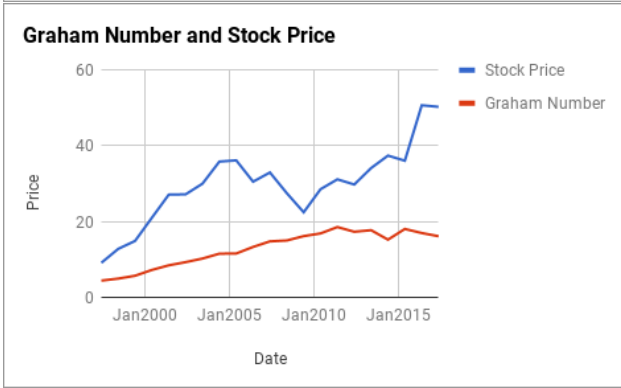
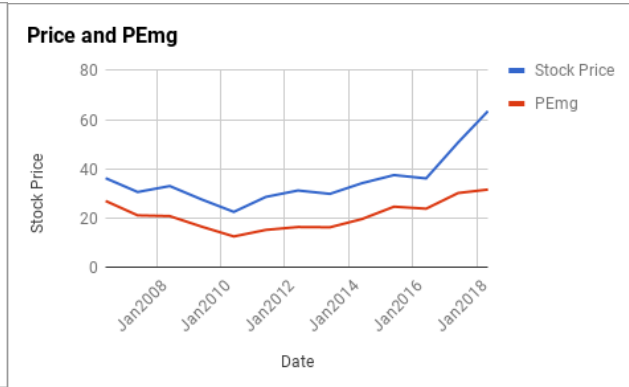
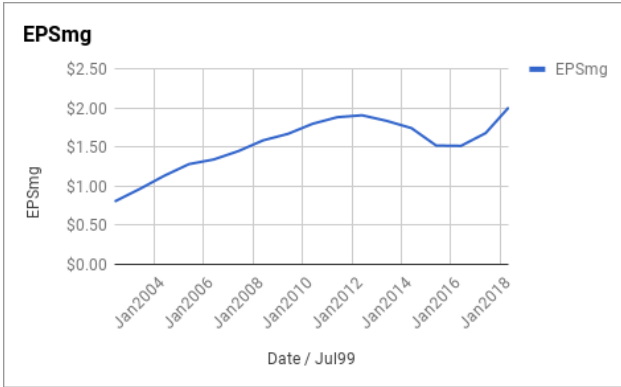
Net Current Asset Value (NCAV)	-\$14.56
Graham Number	\$16.15
PEmg	31.56
Current Ratio	1.38
PB Ratio	14.75
Current Dividend	\$1.30
Dividend Yield	2.05%
Number of Consecutive Years of Dividend Growth	20

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	\$2.61	Next Fiscal Year Estimate	\$2.01
Jun2017	\$2.08	Jun2017	\$1.68
Jun2016	\$1.64	Jun2016	\$1.52
Jun2015	\$1.15	Jun2015	\$1.52
Jun2014	\$1.58	Jun2014	\$1.75
Jun2013	\$1.67	Jun2013	\$1.84
Jun2012	\$1.90	Jun2012	\$1.91
Jun2011	\$1.96	Jun2011	\$1.89
Jun2010	\$1.99	Jun2010	\$1.80
Jun2009	\$1.77	Jun2009	\$1.67
Jun2008	\$1.81	Jun2008	\$1.59
Jun2007	\$1.60	Jun2007	\$1.45
Jun2006	\$1.36	Jun2006	\$1.34
Jun2005	\$1.47	Jun2005	\$1.28
Jun2004	\$1.37	Jun2004	\$1.14
Jun2003	\$1.18	Jun2003	\$0.96
Jun2002	\$1.01	Jun2002	\$0.81
Jun2001	\$0.88	Balance Sheet Information	
Jun2000	\$0.67	12/1/2017	
Jun1999	\$0.54	Total Current Assets	\$8,272,168,000
Jun1998	\$0.43	Total Current Liabilities	\$5,982,970,000
		Long-Term Debt	\$8,312,489,000
		Total Assets	\$18,219,370,000
		Intangible Assets	\$5,057,355,000
		Total Liabilities	\$15,950,768,000
		Shares Outstanding (Diluted Average)	527,250,000





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

- [Sysco Corporation Valuation – January 2017 \\$SYY](#)
- [Sysco Corporation Analysis – September 2015 Update \\$SYY](#)
- [21 Companies in the Spotlight This Week – 5/9/15](#)
- [Sysco Corporation Quarterly Valuation – May 2015 \\$SYY](#)
- [58 Companies in the Spotlight This Week – 1/31/15](#)

Other ModernGraham posts about related companies

- [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](#)
- [PepsiCo Inc Valuation – March 2018 \\$PEP](#)
- [The Coca-Cola Co Valuation – February 2018 \\$KO](#)
- [Campbell Soup Company Valuation – September 2017 \\$CPB](#)