

ModernGraham Valuation

Company Name:

Tyson Foods, Inc.

Company Ticker TSN

Date of Analysis

6/25/2018



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	\$25,711,019,537	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.56	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	291.15%	Pass
5. Earnings Growth	PEmg < 20	12.65	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.13	Pass
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	1.56	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.12	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	\$5.52
MG Growth Estimate	15.00%
MG Value	\$212.57
MG Value based on 3% Growth	\$80.06
MG Value based on 0% Growth	\$46.93
Market Implied Growth Rate	2.07%

MG Opinion

Current Price	\$69.83
% of Intrinsic Value	32.85%
Opinion	Undervalued
MG Grade	B+

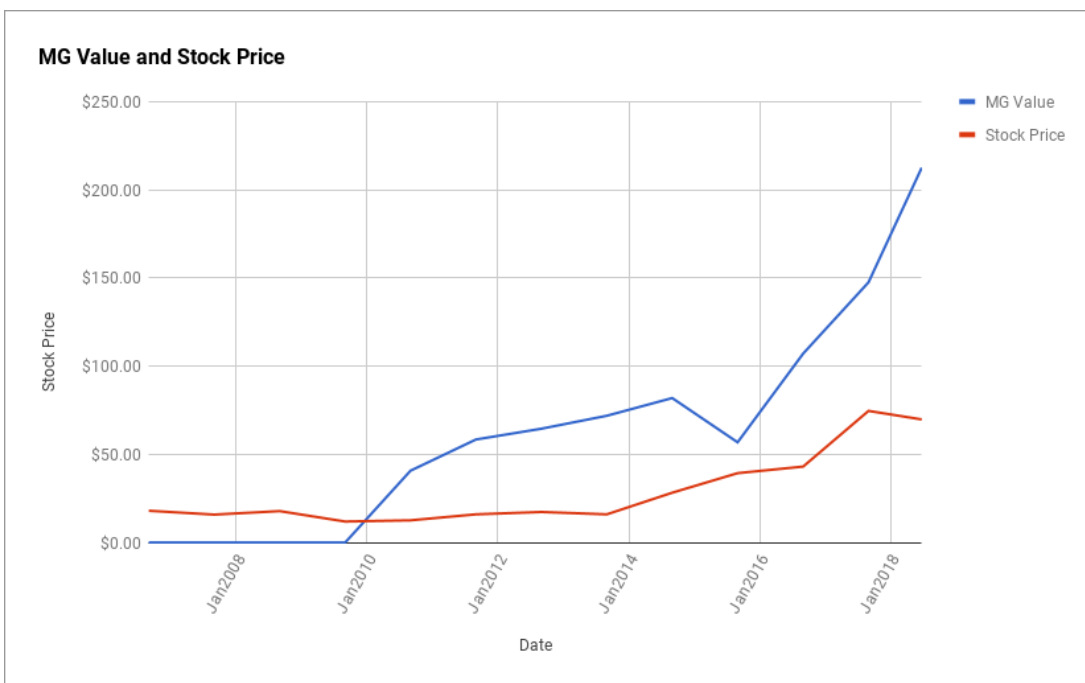
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$26.88
Graham Number	\$73.40
PEmg	12.65
Current Ratio	1.56
PB Ratio	2.13
Current Dividend	\$0.90
Dividend Yield	1.29%
Number of Consecutive Years of Dividend Growth	5

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Sep2017	\$8.36	Sep2017	\$5.52
Sep2016	\$4.79	Sep2016	\$3.83
Sep2015	\$4.53	Sep2015	\$3.12
Sep2014	\$2.95	Sep2014	\$2.33
Sep2013	\$2.37	Sep2013	\$2.13
Sep2012	\$1.84	Sep2012	\$1.87
Sep2011	\$1.58	Sep2011	\$1.68
Sep2010	\$1.97	Sep2010	\$1.52
Sep2009	\$4.04	Sep2009	\$1.06
Sep2008	-\$1.49	Sep2008	-\$0.29
Sep2007	\$0.24	Sep2007	\$0.38
Sep2006	\$0.75	Sep2006	\$0.52
Sep2005	-\$0.58	Sep2005	\$0.51
Sep2004	\$1.04	Sep2004	\$1.01
Sep2003	\$1.13	Sep2003	\$0.95
Sep2002	\$0.96	Sep2002	\$0.84
Sep2001	\$1.08	Sep2002	\$0.74
Sep2000	\$0.40	Balance Sheet Information	
Sep1999	\$0.67	3/1/2018	
Sep1998	\$1.00	Total Current Assets	\$5,990,000,000
	\$0.11	Total Current Liabilities	\$3,838,000,000
		Long-Term Debt	\$8,872,000,000
		Total Assets	\$28,091,000,000
		Intangible Assets	\$15,635,000,000
		Total Liabilities	\$15,935,000,000
		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.

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