

ModernGraham Valuation

Company Name:

SUPERVALU INC.

Company Ticker SVU

Date of Analysis

9/1/2018



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	\$1,245,620,270	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.24	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-123.62%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	7.63	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.51	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	1.24	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.87	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.23
MG Growth Estimate	15.00%
MG Value	\$162.98
MG Value based on 3% Growth	\$61.38
MG Value based on 0% Growth	\$35.98
Market Implied Growth Rate	-0.44%

MG Opinion

Current Price	\$32.29
% of Intrinsic Value	19.81%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

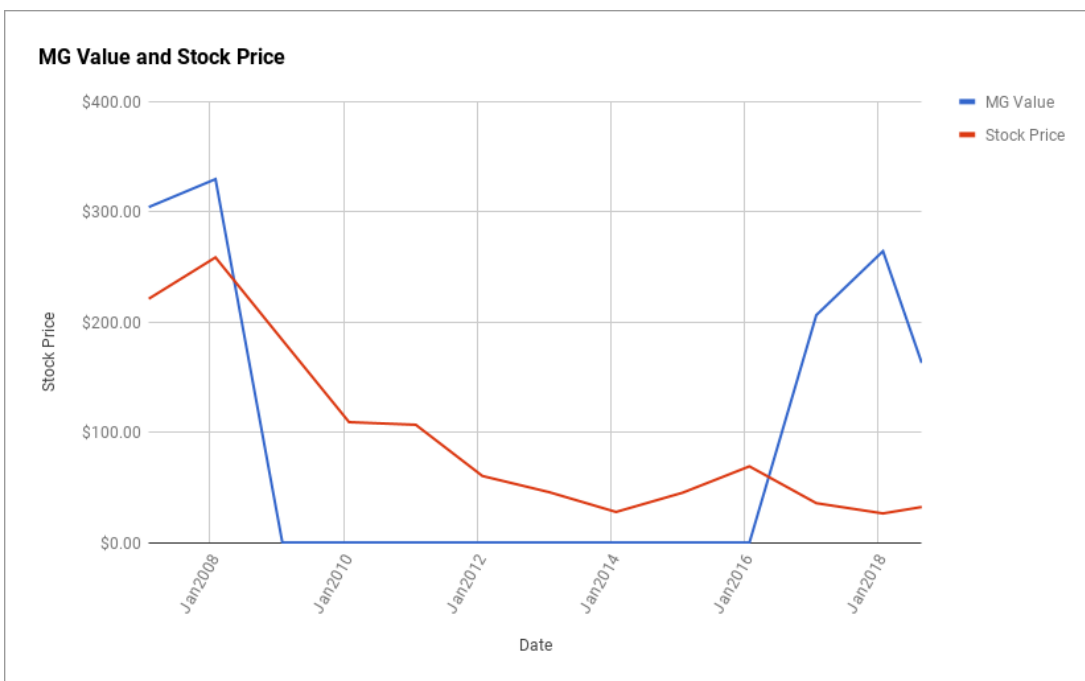
Net Current Asset Value (NCAV)	-\$45.08
Graham Number	\$0.00
PEmg	7.63
Current Ratio	1.24
PB Ratio	2.51
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$1.33	Next Fiscal Year Estimate	\$4.23
Feb2018	\$1.18	Feb2018	\$6.87
Feb2017	\$17.00	Feb2017	\$5.36
Feb2016	\$4.66	Feb2016	-\$4.84
Feb2015	\$5.11	Feb2015	-\$14.57
Feb2014	\$4.90	Feb2014	-\$23.93
Feb2013	-\$48.37	Feb2013	-\$39.85
Feb2012	-\$34.37	Feb2012	-\$33.50
Feb2011	-\$49.91	Feb2011	-\$28.44
Feb2010	\$12.95	Feb2010	-\$14.19
Feb2009	-\$94.57	Feb2009	-\$20.50
Feb2008	\$19.32	Feb2008	\$16.28
Feb2007	\$16.24	Feb2007	\$14.70
Feb2006	\$10.22	Feb2006	\$13.75
Feb2005	\$18.97	Feb2005	\$14.38
Feb2004	\$14.07	Feb2004	\$11.70
Feb2003	\$13.37	Feb2003	\$10.45
Feb2002	\$10.29	Balance Sheet Information	
Feb2001	\$3.85	6/1/2018	
Feb2000	\$13.09	Total Current Assets	\$1,901,000,000
Feb1999	\$10.99	Total Current Liabilities	\$1,531,000,000
		Long-Term Debt	\$1,432,000,000
		Total Assets	\$4,102,000,000
		Intangible Assets	\$896,000,000
		Total Liabilities	\$3,614,000,000
		Shares Outstanding (Diluted Average)	38,000,000





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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