

ModernGraham Valuation

Company Name:

Calavo Growers, Inc.

Company Ticker CVGW

Date of Analysis

10/2/2018



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.

| | | | |
|--|--|-----------------|------|
| 1. Adequate Size of the Enterprise | Market Cap > \$2Bil | \$1,714,072,385 | Fail |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 1.17 | 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 | -42.51% | Fail |
| 5. Earnings Growth | PEmg < 20 | 107.77 | Fail |
| 6. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 6.31 | Fail |
| 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 | 1.17 | Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 15.37 | Fail |
| 3. Earnings Stability | Positive EPS for 5 years prior | | Fail |
| 4. Dividend Record | Currently Pays Dividend | | Pass |
| 5. Earnings Growth | EPSmg greater than 5 years ago Score | | Fail |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|---------------|
| EPSmg | \$0.91 |
| MG Growth Estimate | -3.45% |
| MG Value | \$1.44 |
| MG Value based on 3% Growth | \$13.13 |
| MG Value based on 0% Growth | \$7.70 |
| Market Implied Growth Rate | 49.64% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$97.57 |
| % of Intrinsic Value | 6755.89% |
| Opinion | Overvalued |
| MG Grade | F |

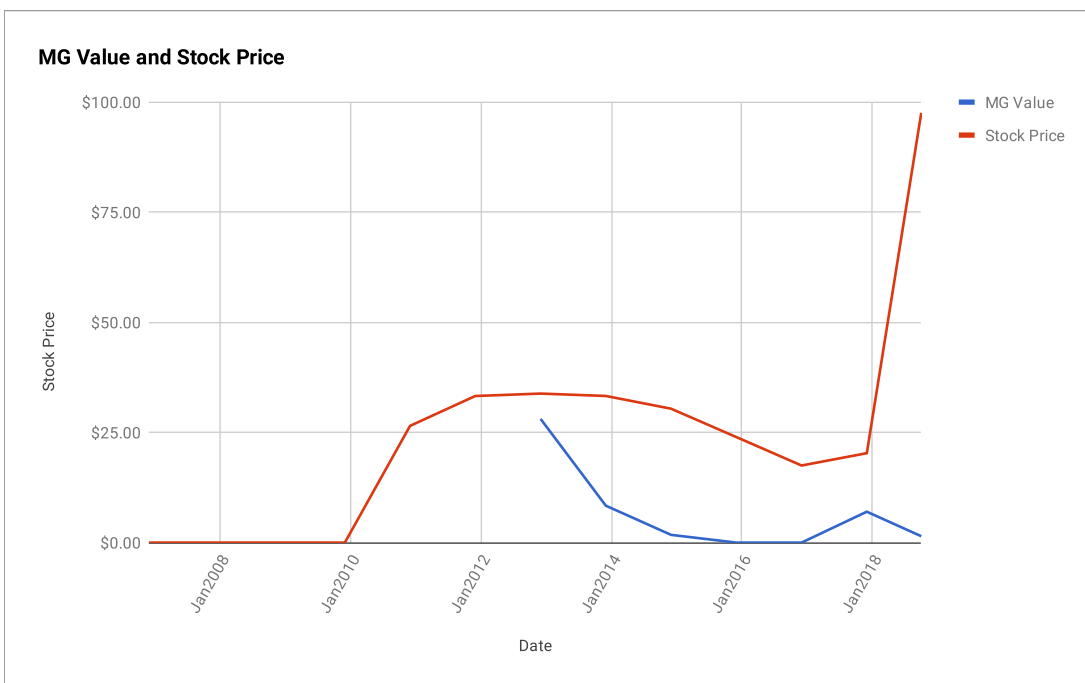
Stage 3: Information for Further Research

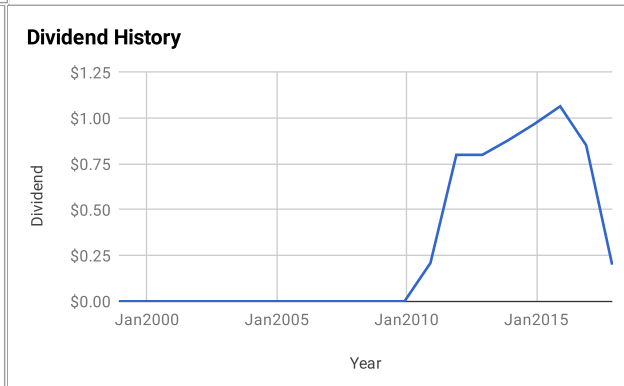
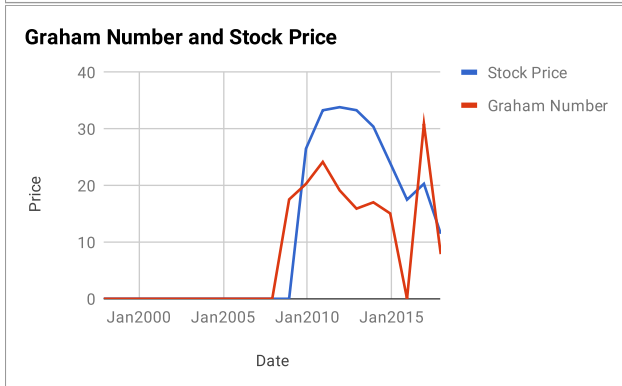
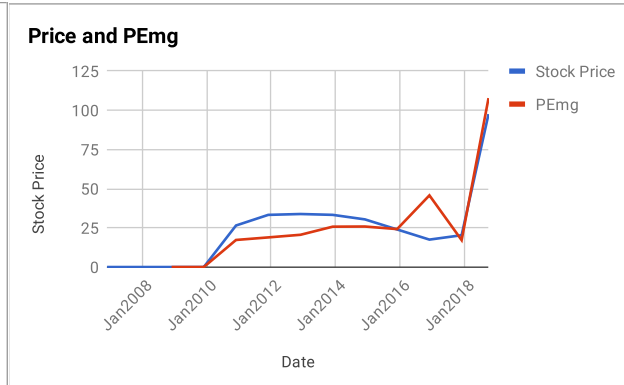
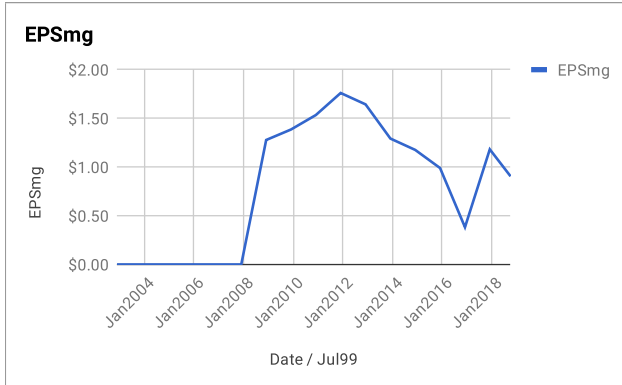
| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$13.61 |
| Graham Number | \$7.89 |
| PEmg | 107.77 |
| Current Ratio | 1.17 |
| PB Ratio | 6.31 |
| Current Dividend | \$0.20 |
| Dividend Yield | 0.20% |
| Number of Consecutive Years of Dividend Growth | 0 |

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 | | Next Fiscal Year Estimate | |
| | \$0.17 | | \$0.91 |
| Dec2017 | \$3.05 | Dec2017 | \$1.18 |
| Dec2016 | -\$0.65 | Dec2016 | \$0.38 |
| Dec2015 | \$0.75 | Dec2015 | \$0.99 |
| Dec2014 | \$0.98 | Dec2014 | \$1.18 |
| Dec2013 | \$0.87 | Dec2013 | \$1.29 |
| Dec2012 | \$1.31 | Dec2012 | \$1.64 |
| Dec2011 | \$1.95 | Dec2011 | \$1.76 |
| Dec2010 | \$1.43 | Dec2010 | \$1.53 |
| Dec2009 | \$1.09 | Dec2009 | \$1.39 |
| Dec2008 | \$3.83 | Dec2008 | \$1.28 |
| Dec2007 | \$0.00 | Dec2007 | \$0.00 |
| Dec2006 | \$0.00 | Dec2006 | \$0.00 |
| Dec2005 | \$0.00 | Dec2005 | \$0.00 |
| Dec2004 | \$0.00 | Dec2004 | \$0.00 |
| Dec2003 | \$0.00 | Dec2003 | \$0.00 |
| Dec2002 | \$0.00 | Dec2002 | \$0.00 |
| Dec2001 | \$0.00 | Balance Sheet Information | |
| Dec2000 | \$0.00 | 6/1/2018 | |
| Dec1999 | \$0.00 | Total Current Assets | \$4,566,000,000 |
| Dec1998 | \$0.00 | Total Current Liabilities | \$3,916,000,000 |
| | | Long-Term Debt | \$9,992,000,000 |
| | | Total Assets | \$40,299,000,000 |
| | | Intangible Assets | \$2,272,000,000 |
| | | Total Liabilities | \$21,296,000,000 |
| | | Shares Outstanding (Diluted Average) | 1,229,300,000 |





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 [Calavo Growers Inc Valuation – Initial Coverage \\$CVGW](#)

Other ModernGraham posts about related companies [Lancaster Colony Corp Valuation – August 2018 \\$LANC](#)
[SpartanNash Co Valuation – August 2018 \\$SPTN](#)
[Core-Mark Holding Co Inc Valuation – August 2018 \\$CORE](#)
[J&J Snack Foods Corp Valuation – August 2018 \\$JJSE](#)
[Coca-Cola European Partners PLC Valuation – July 2018 \\$CCE](#)
[Seneca Foods Corp Valuation – July 2018 \\$SENEA](#)
[Saputo Inc Valuation – July 2018 \\$TSE-SAP](#)
[Ingredion Inc Valuation – July 2018 \\$INGR](#)
[B&G Foods Inc Valuation – July 2018 \\$BGGS](#)
[Tyson Foods Inc Valuation – June 2018 \\$TSN](#)