

ModernGraham Valuation

Company Name:

Company Ticker CPB
Date of Analysis

Campbell Soup
Company

1/28/2019



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	\$10,367,438,346	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.69	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	-15.31%	Fail
5. Earnings Growth	PEmg < 20	17.33	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.35	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	0.69	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.01	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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.99
MG Growth Estimate	-1.52%
MG Value	\$10.85
MG Value based on 3% Growth	\$28.82
MG Value based on 0% Growth	\$16.89
Market Implied Growth Rate	4.41%

MG Opinion

Current Price	\$34.44
% of Intrinsic Value	317.33%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$35.27
Graham Number	\$15.61
PEmg	17.33
Current Ratio	0.69
PB Ratio	7.35
Current Dividend	\$1.40
Dividend Yield	4.07%
Number of Consecutive Years of Dividend Growth	2

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.39	Next Fiscal Year Estimate	\$1.99
Jul2018	\$0.86	Jul2018	\$1.89
Jul2017	\$2.89	Jul2017	\$2.33
Jul2016	\$1.81	Jul2016	\$2.07
Jul2015	\$2.13	Jul2015	\$2.21
Jul2014	\$2.74	Jul2014	\$2.26
Jul2013	\$1.44	Jul2013	\$2.07
Jul2012	\$2.41	Jul2012	\$2.41
Jul2011	\$2.42	Jul2011	\$2.41
Jul2010	\$2.42	Jul2010	\$2.37
Jul2009	\$2.05	Jul2009	\$2.28
Jul2008	\$3.03	Jul2008	\$2.29
Jul2007	\$2.16	Jul2007	\$1.86
Jul2006	\$1.85	Jul2006	\$1.67
Jul2005	\$1.71	Jul2005	\$1.55
Jul2004	\$1.57	Jul2004	\$1.48
Jul2003	\$1.45	Jul2003	\$1.46
Jul2002	\$1.28	Balance Sheet Information 10/1/2018	
Jul2001	\$1.55	Total Current Assets	\$2,521,000,000
Jul2000	\$1.65	Total Current Liabilities	\$3,662,000,000
Jul1999	\$1.63	Long-Term Debt	\$8,001,000,000
		Total Assets	\$14,587,000,000
		Intangible Assets	\$8,680,000,000
		Total Liabilities	\$13,172,000,000
		Shares Outstanding (Diluted Average)	302,000,000





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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