

ModernGraham Valuation

Company Name:

Conagra Brands Inc

Company Ticker CAG

Date of Analysis

2/23/2019



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	\$11,354,309,552	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.47	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	8.44%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	21.37	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.35	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	1.47	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	11.09	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		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.09
MG Growth Estimate	10.99%
MG Value	\$33.35
MG Value based on 3% Growth	\$15.86
MG Value based on 0% Growth	\$9.30
Market Implied Growth Rate	6.44%

MG Opinion

Current Price	\$23.38
% of Intrinsic Value	70.10%
Opinion	Undervalued
MG Grade	C

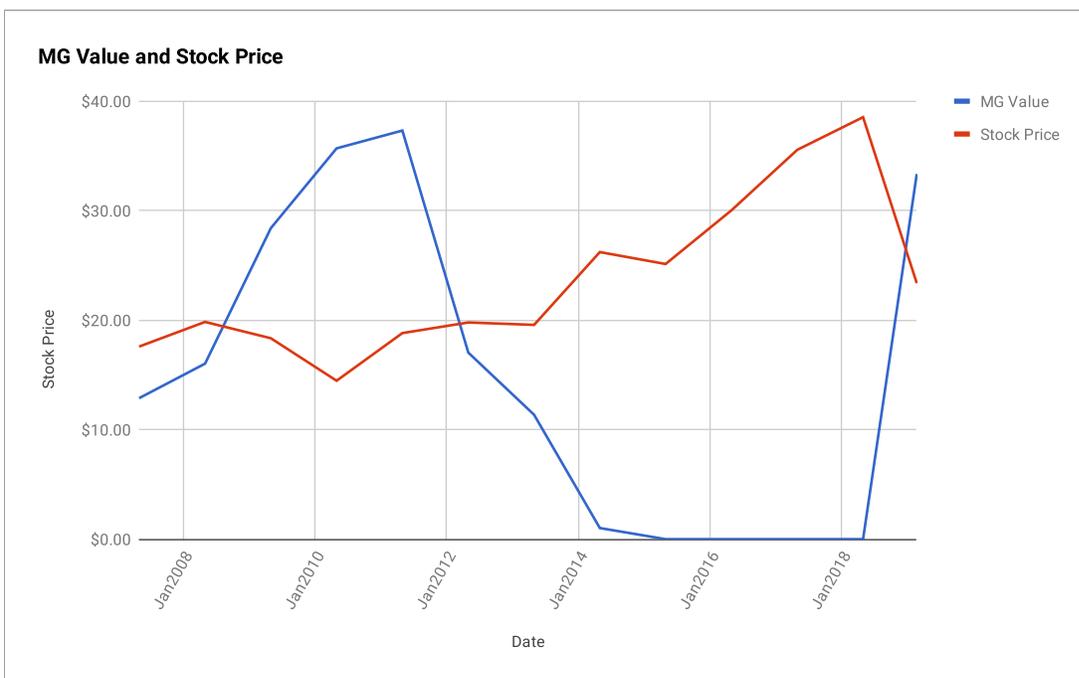
Stage 3: Information for Further Research

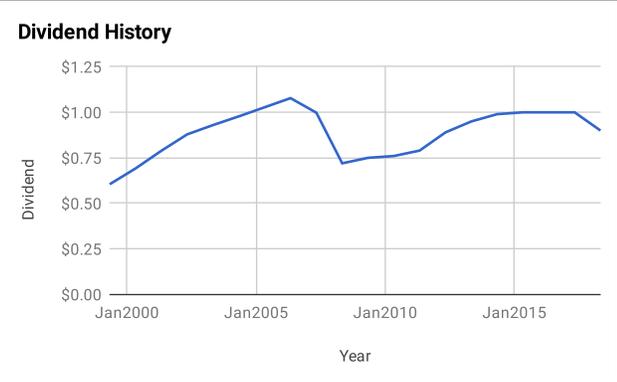
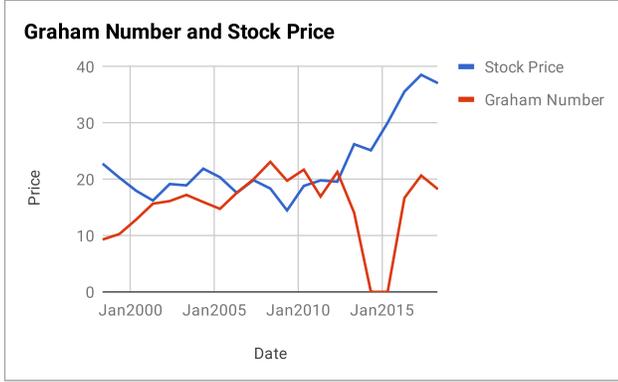
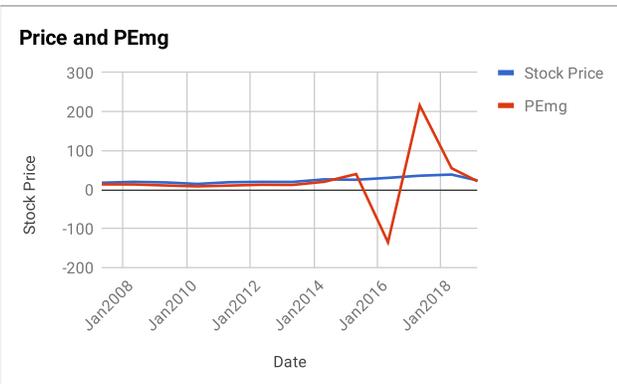
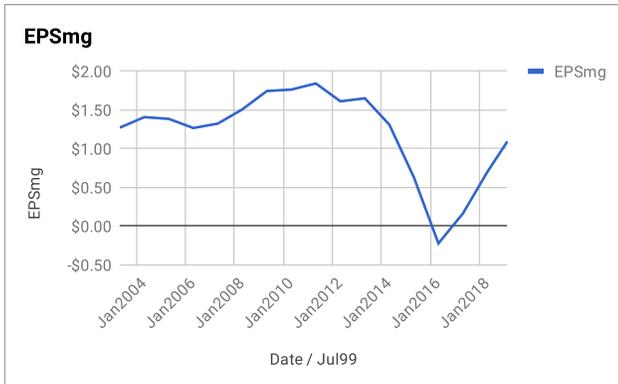
Net Current Asset Value (NCAV)	-\$29.46
Graham Number	\$18.23
PEmg	21.37
Current Ratio	1.47
PB Ratio	1.35
Current Dividend	\$0.85
Dividend Yield	3.64%
Number of Consecutive Years of Dividend Growth	0

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	\$1.57	Next Fiscal Year Estimate	\$1.09
May2018	\$1.98	May2018	\$0.70
May2017	\$1.46	May2017	\$0.16
May2016	-\$1.57	May2016	-\$0.22
May2015	-\$0.60	May2015	\$0.63
May2014	\$0.70	May2014	\$1.31
May2013	\$1.85	May2013	\$1.65
May2012	\$1.12	May2012	\$1.61
May2011	\$1.88	May2011	\$1.84
May2010	\$1.62	May2010	\$1.76
May2009	\$2.15	May2009	\$1.74
May2008	\$1.90	May2008	\$1.51
May2007	\$1.51	May2007	\$1.32
May2006	\$1.03	May2006	\$1.27
May2005	\$1.23	May2005	\$1.39
May2004	\$1.53	May2004	\$1.41
May2003	\$1.44	May2003	\$1.27
May2002	\$1.47	Balance Sheet Information 11/1/2018	
May2001	\$1.25	Total Current Assets	\$3,275,400,000
May2000	\$0.80	Total Current Liabilities	\$2,234,500,000
May1999	\$0.65	Long-Term Debt	\$11,545,400,000
		Total Assets	\$23,006,800,000
		Intangible Assets	\$16,299,400,000
		Total Liabilities	\$15,703,500,000
		Shares Outstanding (Diluted Average)	421,800,000





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**
- [Conagra Brands Inc Valuation – May 2018 \\$CAG](#)
 - [Conagra Brands Inc Valuation – December 2016 \\$CAG](#)
 - [ConAgra Foods Inc. Analysis – August 2015 Update \\$CAG](#)
 - [5 Speculative and Overvalued Companies to Avoid – November 2014](#)
 - [20 Companies in the Spotlight This Week – 8/16/14](#)

- Other ModernGraham posts about related companies**
- [Monster Beverage Corp Valuation – February 2019 \\$MNST](#)
 - [Campbell Soup Co Valuation – January 2019 \\$CPB](#)
 - [Kellogg Co Valuation – January 2019 \\$K](#)
 - [PepsiCo Inc Valuation – January 2019 \\$PEP](#)
 - [The Hershey Co Valuation – January 2019 \\$HSY](#)
 - [Coca-Cola Co Valuation – November 2018 \\$KO](#)
 - [Calavo Growers Inc Valuation – October 2018 \\$CVGW](#)
 - [Lancaster Colony Corp Valuation – August 2018 \\$LANC](#)
 - [SpartanNash Co Valuation – August 2018 \\$SPTN](#)
 - [Core-Mark Holding Co Inc Valuation – August 2018 \\$SCORE](#)