

ModernGraham Valuation

Company Name:

General Mills, Inc.

Company Ticker GIS

Date of Analysis

2/27/2019



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	\$27,927,852,744	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.58	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	24.28%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	16.09	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.05	Fail

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	0.58	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-3.98	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.91
MG Growth Estimate	2.72%
MG Value	\$40.53
MG Value based on 3% Growth	\$42.18
MG Value based on 0% Growth	\$24.72
Market Implied Growth Rate	3.79%

MG Opinion

Current Price	\$46.80
% of Intrinsic Value	115.48%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

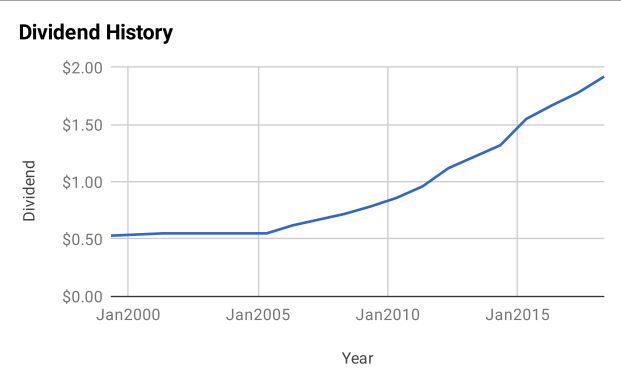
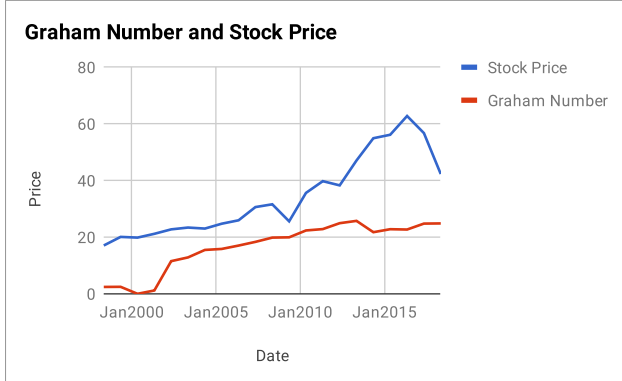
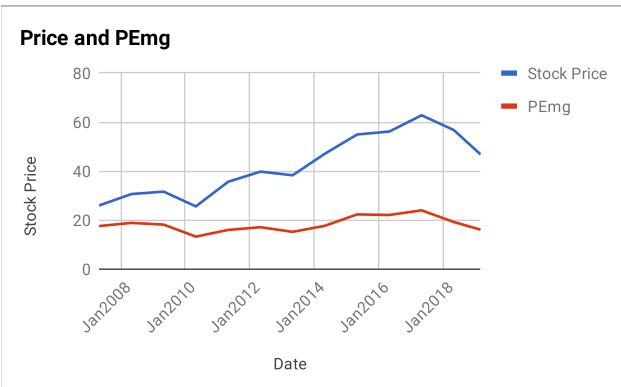
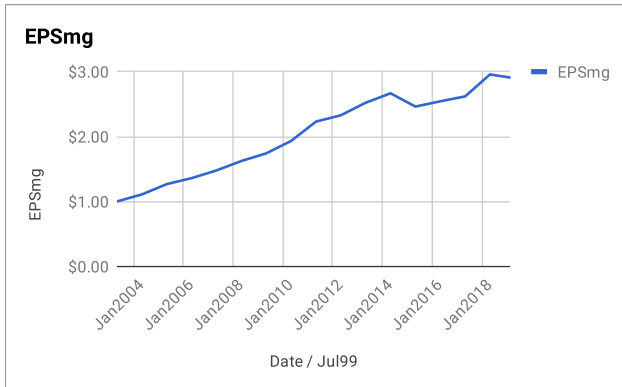
Net Current Asset Value (NCAV)	-\$31.71
Graham Number	\$24.85
PEmg	16.09
Current Ratio	0.58
PB Ratio	4.05
Current Dividend	\$1.96
Dividend Yield	4.19%
Number of Consecutive Years of Dividend Growth	14

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	\$2.65	Next Fiscal Year Estimate	\$2.91
May2018	\$3.64	May2018	\$2.96
May2017	\$2.77	May2017	\$2.62
May2016	\$2.77	May2016	\$2.54
May2015	\$1.97	May2015	\$2.46
May2014	\$2.83	May2014	\$2.67
May2013	\$2.79	May2013	\$2.52
May2012	\$2.35	May2012	\$2.33
May2011	\$2.70	May2011	\$2.23
May2010	\$2.24	May2010	\$1.93
May2009	\$1.90	May2009	\$1.74
May2008	\$1.86	May2008	\$1.62
May2007	\$1.59	May2007	\$1.48
May2006	\$1.45	May2006	\$1.36
May2005	\$1.54	May2005	\$1.27
May2004	\$1.30	May2004	\$1.11
May2003	\$1.22	May2003	\$1.00
May2002	\$0.67	Balance Sheet Information 11/1/2018	
May2001	\$1.14	Total Current Assets	\$4,233,800,000
May2000	\$1.00	Total Current Liabilities	\$7,298,100,000
May1999	\$0.85	Long-Term Debt	\$12,208,600,000
		Total Assets	\$30,384,000,000
		Intangible Assets	\$21,221,000,000
		Total Liabilities	\$23,404,600,000
		Shares Outstanding (Diluted Average)	604,500,000





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**
- [General Mills Inc Valuation – May 2018 \\$GIS](#)
 - [General Mills Inc Valuation – January 2017 \\$GIS](#)
 - [General Mills Inc Valuation – August 2016 \\$GIS](#)
 - [27 Companies in the Spotlight This Week – 4/4/15](#)
 - [General Mills Inc. Annual Valuation – 2015 \\$GIS](#)
- Other ModernGraham posts about related companies**
- [McCormick & Co Valuation – February 2019 \\$MKC](#)
 - [Archer-Daniels Midland Co Valuation – February 2019 \\$ADM](#)
 - [Conagra Brands Inc Valuation – February 2019 \\$CAG](#)
 - [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](#)