

# ModernGraham Valuation

MCCORMICK & CO  
/SH NV



## Company Name:

Company Ticker MKC

Date of Analysis

2/25/2019

## 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	\$17,588,659,997	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.74	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	85.31%	Pass
6. Moderate PEmg Ratio	PEmg < 20	26.45	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.60	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	0.74	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.77	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		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.04
MG Growth Estimate	9.37%
<b>MG Value</b>	<b>\$137.16</b>
MG Value based on 3% Growth	\$73.03
MG Value based on 0% Growth	\$42.81
Market Implied Growth Rate	8.97%

### MG Opinion

Current Price	\$133.20
% of Intrinsic Value	97.12%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$41.81
Graham Number	\$52.98
PEmg	26.45
Current Ratio	0.74
PB Ratio	5.60
Current Dividend	\$2.08
Dividend Yield	1.56%
Number of Consecutive Years of Dividend Growth	20

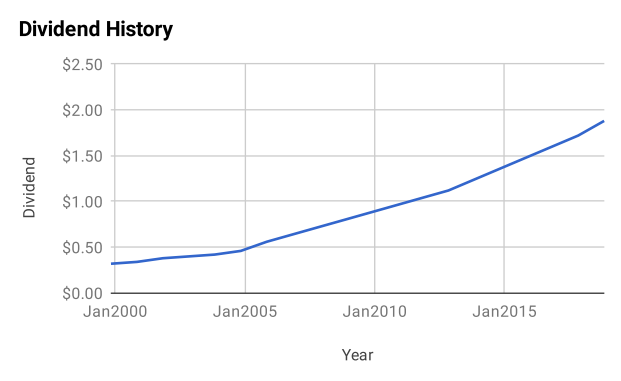
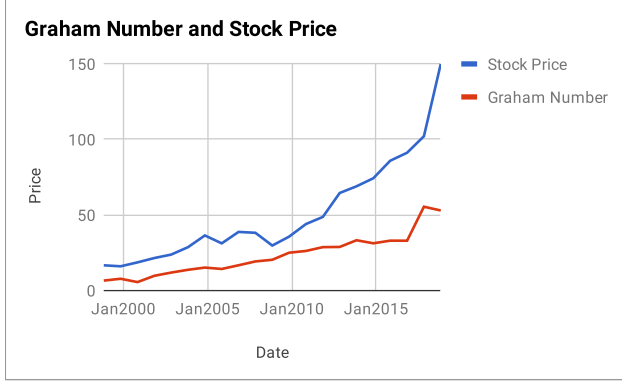
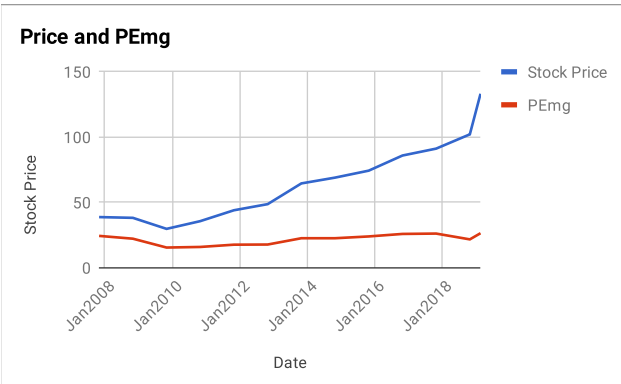
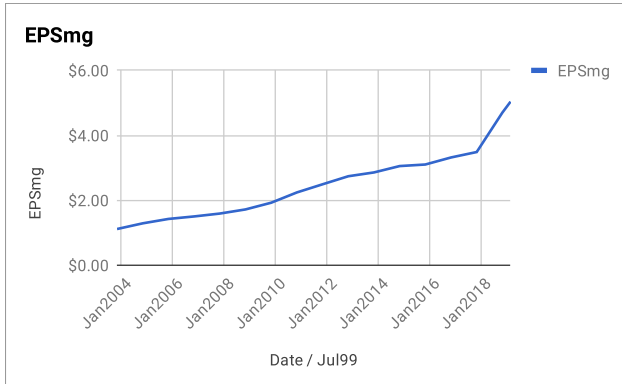
### Useful Links:

[ModernGraham tagged articles](#)  
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[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.18	Next Fiscal Year Estimate	\$5.04
Nov2018	\$7.00	Nov2018	\$4.70
Nov2017	\$3.72	Nov2017	\$3.49
Nov2016	\$3.69	Nov2016	\$3.32
Nov2015	\$3.11	Nov2015	\$3.10
Nov2014	\$3.34	Nov2014	\$3.05
Nov2013	\$2.91	Nov2013	\$2.86
Nov2012	\$3.04	Nov2012	\$2.74
Nov2011	\$2.79	Nov2011	\$2.49
Nov2010	\$2.75	Nov2010	\$2.24
Nov2009	\$2.27	Nov2009	\$1.92
Nov2008	\$1.94	Nov2008	\$1.72
Nov2007	\$1.73	Nov2007	\$1.59
Nov2006	\$1.50	Nov2006	\$1.50
Nov2005	\$1.56	Nov2005	\$1.42
Nov2004	\$1.52	Nov2004	\$1.29
Nov2003	\$1.48	Nov2003	\$1.11
Nov2002	\$1.26	<b>Balance Sheet Information 11/1/2018</b>	
Nov2001	\$0.53	Total Current Assets	\$1,479,900,000
Nov2000	\$0.99	Total Current Liabilities	\$2,001,700,000
Nov1999	\$0.72	Long-Term Debt	\$4,052,900,000
		Total Assets	\$10,256,400,000
		Intangible Assets	\$7,401,200,000
		Total Liabilities	\$7,074,200,000
		Shares Outstanding (Diluted Average)	133,800,000





**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**
- [McCormick & Co Inc Valuation – May 2018 \\$MKC](#)
  - [McCormick & Company Valuation – January 2017 \\$MKC](#)
  - [McCormick & Company Inc. Analysis – August 2015 Update \\$MKC](#)
  - [20 Companies in the Spotlight This Week – 8/16/14](#)
  - [McCormick & Company Inc. Annual Valuation – 2014 \\$MKC](#)

- 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 \\$CORE](#)