

ModernGraham Valuation

Company Name:

SYSCO Corporation

Company Ticker SY Y

Date of Analysis

3/1/2019



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	\$34,689,559,026	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.25	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	32.99%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	27.79	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	16.09	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	1.25	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.75	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	\$2.43
MG Growth Estimate	8.95%
MG Value	\$64.19
MG Value based on 3% Growth	\$35.25
MG Value based on 0% Growth	\$20.67
Market Implied Growth Rate	9.64%

MG Opinion

Current Price	\$67.56
% of Intrinsic Value	105.24%
Opinion	Fairly Valued
MG Grade	C

Stage 3: Information for Further Research

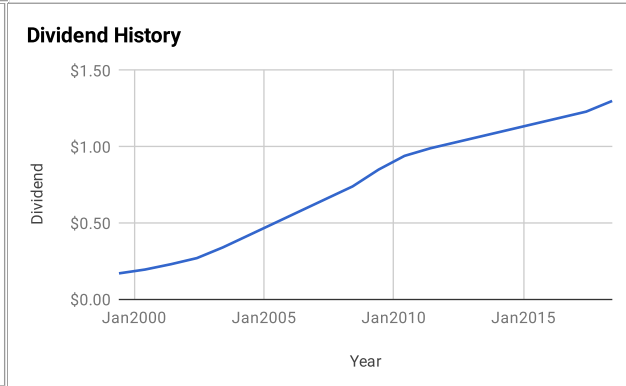
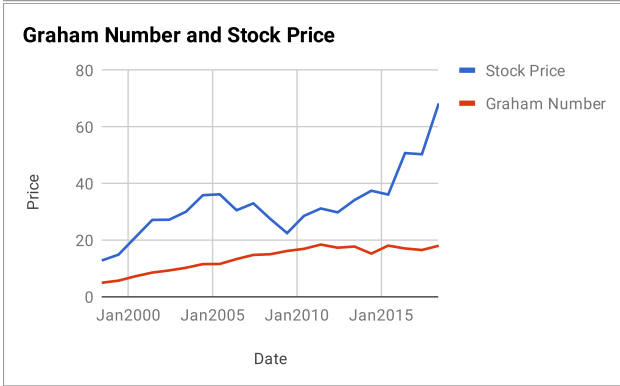
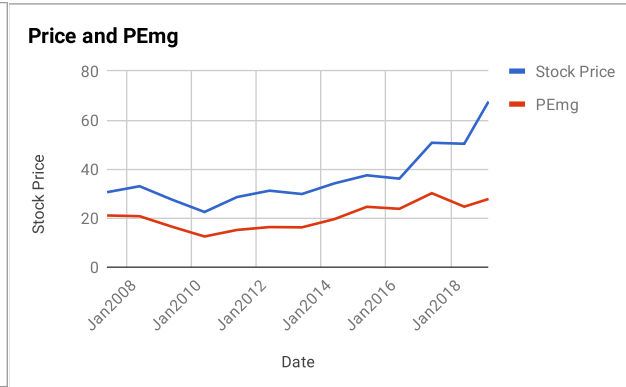
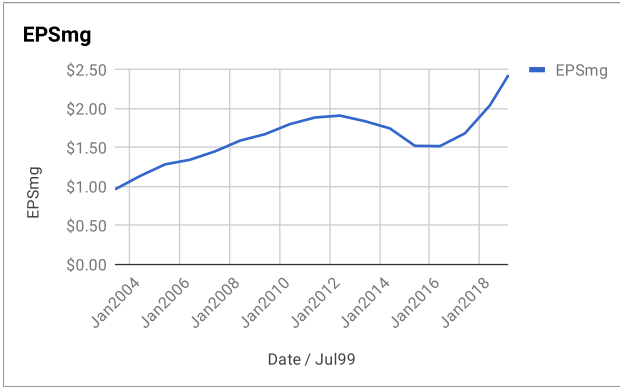
Net Current Asset Value (NCAV)	-\$14.40
Graham Number	\$18.03
PEmg	27.79
Current Ratio	1.25
PB Ratio	16.09
Current Dividend	\$1.41
Dividend Yield	2.09%
Number of Consecutive Years of Dividend Growth	20

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	\$3.00	Next Fiscal Year Estimate	\$2.43
Jun2018	\$2.70	Jun2018	\$2.04
Jun2017	\$2.08	Jun2017	\$1.68
Jun2016	\$1.64	Jun2016	\$1.52
Jun2015	\$1.15	Jun2015	\$1.52
Jun2014	\$1.58	Jun2014	\$1.75
Jun2013	\$1.67	Jun2013	\$1.84
Jun2012	\$1.90	Jun2012	\$1.91
Jun2011	\$1.96	Jun2011	\$1.89
Jun2010	\$1.99	Jun2010	\$1.80
Jun2009	\$1.77	Jun2009	\$1.67
Jun2008	\$1.81	Jun2008	\$1.59
Jun2007	\$1.60	Jun2007	\$1.45
Jun2006	\$1.36	Jun2006	\$1.34
Jun2005	\$1.47	Jun2005	\$1.28
Jun2004	\$1.37	Jun2004	\$1.14
Jun2003	\$1.18	Jun2003	\$0.96
Jun2002	\$1.01	Balance Sheet Information 12/1/2018	
Jun2001	\$0.88	Total Current Assets	\$8,437,783,000
Jun2000	\$0.67	Total Current Liabilities	\$6,750,170,000
Jun1999	\$0.54	Long-Term Debt	\$8,019,846,000
		Total Assets	\$18,194,176,000
		Intangible Assets	\$4,775,912,000
		Total Liabilities	\$15,991,183,000
		Shares Outstanding (Diluted Average)	524,601,000





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**
- [Sysco Corp Valuation – May 2018 \\$SYY](#)
 - [Sysco Corporation Valuation – January 2017 \\$SYY](#)
 - [Sysco Corporation Analysis – September 2015 Update \\$SYY](#)
 - [21 Companies in the Spotlight This Week – 5/9/15](#)
 - [Sysco Corporation Quarterly Valuation – May 2015 \\$SYY](#)

- Other ModernGraham posts about related companies**
- [General Mills Inc Valuation – February 2019 \\$GIS](#)
 - [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](#)