

ModernGraham Valuation

Company Name:

Tyson Foods, Inc.

Company Ticker TSN

Date of Analysis

3/31/2019



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	\$20,499,693,600	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.85	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	225.35%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	12.02	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.92	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	0.85	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.15	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.78
MG Growth Estimate	15.00%
MG Value	\$222.38
MG Value based on 3% Growth	\$83.75
MG Value based on 0% Growth	\$49.10
Market Implied Growth Rate	1.76%

MG Opinion

Current Price	\$69.43
% of Intrinsic Value	31.22%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

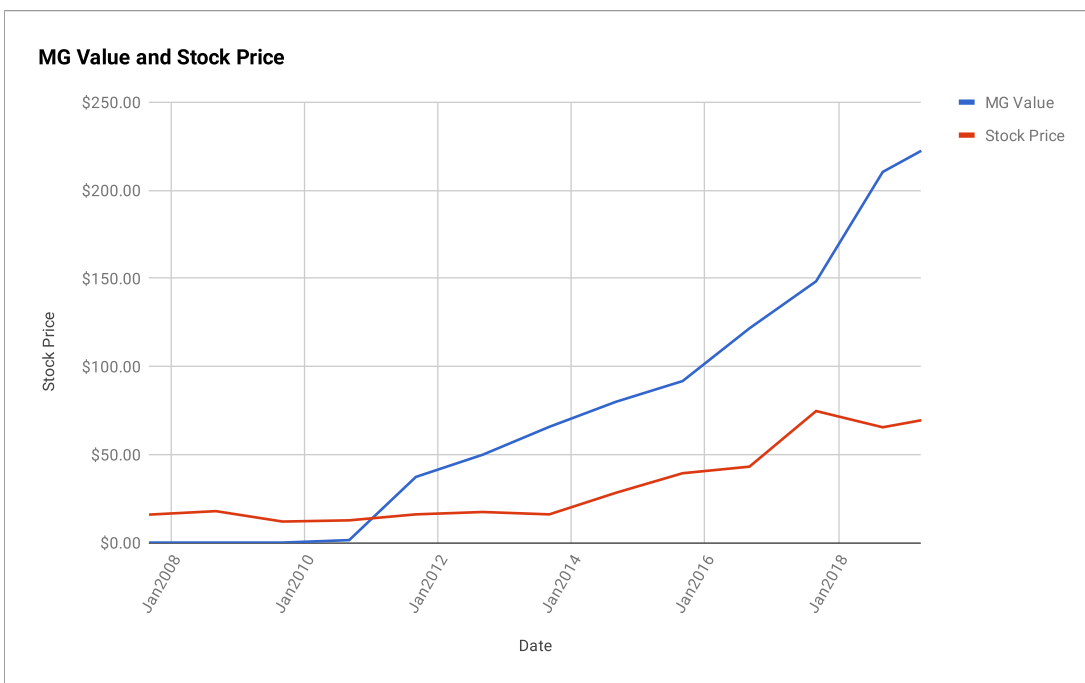
Net Current Asset Value (NCAV)	-\$34.90
Graham Number	\$65.79
PEmg	12.02
Current Ratio	0.85
PB Ratio	1.92
Current Dividend	\$1.13
Dividend Yield	1.62%
Number of Consecutive Years of Dividend Growth	6

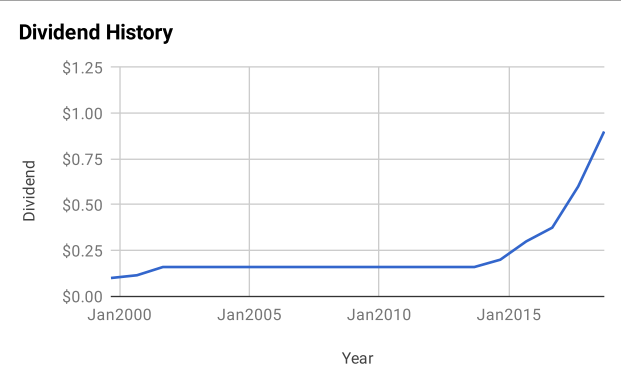
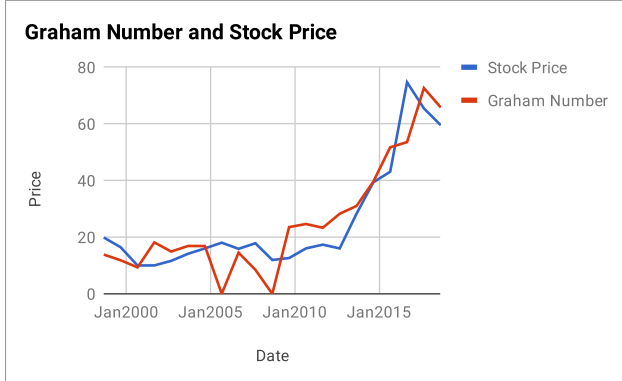
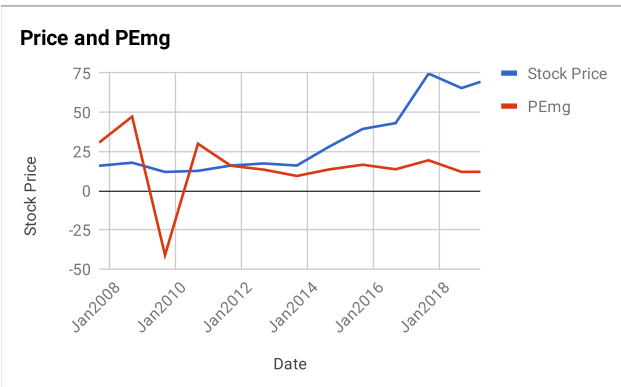
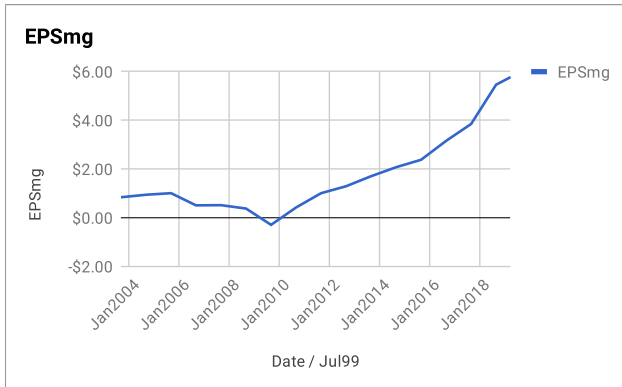
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.50	Next Fiscal Year Estimate	\$5.78
Sep2018	\$8.19	Sep2018	\$5.46
Sep2017	\$4.79	Sep2017	\$3.85
Sep2016	\$4.53	Sep2016	\$3.16
Sep2015	\$2.95	Sep2015	\$2.38
Sep2014	\$2.37	Sep2014	\$2.08
Sep2013	\$2.12	Sep2013	\$1.71
Sep2012	\$1.58	Sep2012	\$1.30
Sep2011	\$1.97	Sep2011	\$1.01
Sep2010	\$2.13	Sep2010	\$0.42
Sep2009	-\$1.49	Sep2009	-\$0.29
Sep2008	\$0.24	Sep2008	\$0.38
Sep2007	\$0.75	Sep2007	\$0.52
Sep2006	-\$0.58	Sep2006	\$0.51
Sep2005	\$1.04	Sep2005	\$1.01
Sep2004	\$1.13	Sep2004	\$0.95
Sep2003	\$0.96	Sep2003	\$0.84
Sep2002	\$1.08	Balance Sheet Information 12/1/2018	
Sep2001	\$0.40	Total Current Assets	\$6,301,000,000
Sep2000	\$0.67	Total Current Liabilities	\$7,430,000,000
Sep1999	\$1.00	Long-Term Debt	\$8,075,000,000
		Total Assets	\$32,335,000,000
		Intangible Assets	\$18,255,000,000
		Total Liabilities	\$19,076,000,000
		Shares Outstanding (Diluted Average)	366,000,000





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.

Recommended Reading:

- Other ModernGraham posts about the company**
- [5 Undervalued Companies for Value Investors with a Low Beta – January 2019](#)
 - [10 Undervalued Stocks for the Enterprising Investor – January 2019](#)
 - [Most Undervalued Stocks of the S&P 500 – August 2018](#)
 - [10 Undervalued Stocks for the Enterprising Investor – August 2018](#)
 - [5 Companies for Enterprising Investors Near 52 Week Lows – July 2018](#)

- Other ModernGraham posts about related companies**
- [Mondelez International Inc Valuation – March 2019 #MDLZ](#)
 - [Hormel Foods Corp Valuation – March 2019 #HRL](#)
 - [JM Smucker Co Valuation – March 2019 #SJM](#)
 - [Lamb Weston Holdings Inc Valuation – March 2019 #LW](#)
 - [Kraft Heinz Co Valuation – March 2019 #KHC](#)
 - [Sysco Corp Valuation – March 2019 \\$SY](#)
 - [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](#)