

Tyson Foods, Inc. (TSN)



Market Data



Market Data

Market Cap: \$20,522mm
 Enterprise Value (12/07/18): \$29,520mm
 Enterprise Value/EBITDA: 7.12x

Financial Summary (9/30/2018)

Revenues: \$40,052mm
 EBITDA: \$4,148mm
 Net Income: \$3,154mm

Financial Analysis

Solvency Ratios

LTD/Total Capitalization: 38.34%
 EBITDA/Interest Expense: 11.85x
 LTD/EBITDA: 1.92x

Profitability Ratios

Gross Margin: 13.05%
 EBITDA Margin: 10.36%
 EBIT Margin: 8.03%
 Return on Assets (ROA): 10.58%
 Return on Equity (ROE): 25.91%

Short Term Liquidity

Current Ratio: 1.13x
 Accounts Receivable Turnover: 23.57x

Company Profile

Tyson Foods, Inc. is an American multinational corporation that operates in the food industry. The company has a portfolio of multiple brands and products within the protein category for meats ranging from Tyson, Jimmy Dean, Hillshire Farm, Ball Park, Wright, Aidells, ibp, and State Fair. As a market leader, Tyson Foods focuses on innovating the food industry within the protein category with more sustainable food options. Tyson is the worlds second largest processor and marketer of select proteins such as chicken, beef, and pork only being rivals by JBS.

Tyson employs over 121,000 employees throughout their facilities worldwide with 116,000 being located in the United States. Majority of their business model is to process and prepare foods for market consumption. Although Tyson is the worlds 2nd largest marketer of proteins, they do not raise any materials directly – instead Tyson works closely with suppliers located domestically and internationally to meet their raw material needs in food processing. By securing flexible and close relationships with suppliers, Tyson is able to meet seasonal demand for their various meat segments by working out supplier contracts to meet demand in the summer and winter seasons.

The customer base Tyson works with is highly concentrated with retailers, Walmart Inc. being their largest client. Walmart Inc. accounted for 17.3% of Tysons fiscal 2018 sales which includes all segments of operation. Assessing concentration risks, Walmart is the only customer group representing over 10% of fiscal sales with the residual of sales coming from thousands of clients located throughout 125 countries. Major markets that make up large portions of sales are Canada, Central America, China, the European Union, Japan, Mexico, the Middle East, South Korea, Taiwan, and the United States.

\$56.21 - BUY

Valuation Methodology	Stock Price
Method #1	\$56.21
Method #2	\$83.91
Method #4	\$110.87
Average	\$83.66

“At Tyson Foods, we are more than chicken. We’re protein leaders. Food innovators who thrive at the intersection of opportunity and capability.”

Financial Analysis



Fiscal Year 2018 vs. Fiscal Year 2017

Operations:

- Total sales increase 5% from FY 2017 to FY 2018, 38bn to 40bn respectively, primarily due to increased sales volumes and average sales prices in beef, chicken, an prepared foods rising.
- Cost of sales increased by \$1,749mm in FY 2018, breakdown from higher material input prices caused cost of sales to increase by \$918mm while higher sales volume caused cost of sales on increase by \$831mm.
- Gross Margin remained relatively flat at 13% from prior years.
- Operating costs in selling, general and administrative had decreased by \$81mm in FY 2018, caused by net decreases in employee costs from stock-based and incentive-based compensations, restructuring charges, acquisition related fees for AdvancePierre, commission and brokerage fees, marketing and advertising costs, and a net increase in acquisition and amortization costs from AdvancePierre, and R&D from technology costs.
- Interest income and expenses remained relatively comparable in prior years with no new debt being taken on, acquisitions have been funded through all cash purchases.
- Effective income tax rate for FY 2018 was -10.3% compared to 32.3% for FY 2017; impacts raised from tax cuts and the jobs act which included tax benefits.
- EBITDA and EBIT margins have remained relatively consistent in prior years at 10% and 8% respectively.

Cash Flows:

- Payments of debt account for over \$1.3bn in cash outflows in Tysons initiative of extinguishing outstanding loan balances for term loan tranches. Average spending on debt balances has been increasing in FY 2018 following prior years.
- Continuing stock repurchase in FY 2018 accounting for approximately \$500mm in stock buybacks.
- In August 2018, Acquisition of Keystone is secured and to be financed through primarily cash accounting for \$2.16bn in cash outflows in FY 2019. Permanent financing for the Keystone acquisition is expected to include a mix of senior notes, term loans, commercial paper, and cash on hand.

Liquidity / Leverage:

- Tyson liquidity includes cash and cash equivalents, short-term investments, and availability under their revolving credit facility, less any outstanding commercial paper balance.
- Total liquidity amounts to \$1,416mm as of FY 2018 with intentions to repay current debt of \$1,911mm with cash generated from operating activities and other liquidity sources.
- Current ratio dropped to 1.13x from 1.55x in FY 2018 due to increased balance of current debt.
- Interest coverage ratio down in FY 2018 from FY 2017 with EBITDA to Interest being 11.85x from 14.22x respectively.
- Long term Debt / EBITDA down to 1.92x in FY 2018 from 2.34x in FY 2017.

Segment Operating Margins

FY 2018	Operating Margin
Beef	6.5%
Pork	7.4%
Chicken	7.2%
Prepared Foods	10.0%
Weighted Average	7.6%

FY 2017	Operating Margin
Beef	5.9%
Pork	12.3%
Chicken	9.2%
Prepared Foods	5.9%
Weighted Average	7.7%

FY 2016	Operating Margin
Beef	2.4%
Pork	10.8%
Chicken	11.9%
Prepared Foods	10.0%
Weighted Average	7.7%

Ratio Analysis



Ratio Analysis (\$ in 000's)

Period Ending	Sep-16	Sep-17	Sep-18	3 Year Average
EBITDA	3,530,000	3,966,000	4,148,000	
Liquidity Ratios				
Current Ratio	1.77x	1.55x	1.13x	1.48x
Accounts Receivable Turnover	23.33x	23.79x	23.57x	23.56x
Solvency Ratios				
LTD / Total Capitalization	39.22%	46.86%	38.34%	41.48%
EBITDA / Interest (Interest Coverage Ratio)	14.18x	14.22x	11.85x	13.41x
LTD / EBITDA	1.76x	2.34x	1.92x	2.01x
Profitability Ratios				
Gross Margin	12.74%	13.59%	13.05%	13.12%
EBITDA Margin	9.57%	10.37%	10.36%	10.10%
EBIT Margin	7.68%	8.41%	8.03%	8.04%
Return on Assets (ROA)	7.80%	7.03%	10.58%	8.47%
Gross Return on Assets	12.50%	12.76%	11.25%	12.17%
Return on Equity (ROE)	18.32%	17.61%	25.91%	20.61%
Trend Analysis Ratio				
Revenue Growth	-10.86%	3.74%	4.68%	-0.81%

Peer Analysis (\$ in 000's)

Direct Competitor Comparison	Market Cap	Employees	Revenue	EBITDA
PPC	\$4,270,000	35,700	\$10,767,863	\$898,100
K	\$21,113,000	32,944	\$12,923,000	\$3,019,000
CAG	\$14,976,000	12,600	\$7,938,300	\$1,488,500
GIS	\$22,943,000	38,000	\$15,740,400	\$3,390,000
SAFM	\$2,359,000	14,000	\$3,342,226	\$305,200
CPB	\$11,370,000	17,500	\$8,685,000	\$1,966,000
HSY	\$22,479,000	15,360	\$7,515,426	\$1,905,200
TSN	\$20,523,000	121,000	\$40,052,000	\$4,148,000

Legend

Ticker	Company
PPC	Pilgrim's Pride Corporation
K	Kellogg Company
CAG	Conagra Brands, Inc.
GIS	General Mills, Inc.
SAFM	Sanderson Farms, Inc.
CPB	Campbell Soup Company
HSY	The Hershey Company
TSN	Tyson Foods, Inc.

Projection Analysis



Projection Analysis (\$ in 000's)

	3-Year Average	Assumption Input	Historical			Projections				
			Sep-16	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21	Sep-22	Sep-23
Total Revenue			\$36,881,000	\$38,260,000	\$40,052,000	\$41,253,560	\$43,316,238	\$46,348,375	\$48,665,793	\$50,125,767
Cost of Revenue			\$32,184,000	\$33,062,000	\$34,825,000	\$35,890,597	\$37,685,127	\$40,323,086	\$42,339,240	\$43,609,417
Gross Profit			\$4,697,000	\$5,198,000	\$5,227,000	\$5,362,963	\$5,631,111	\$6,025,289	\$6,326,553	\$6,516,350
Total Operating Expenses			\$1,864,000	\$1,980,000	\$2,012,000	\$2,062,678	\$2,165,812	\$2,317,419	\$2,433,290	\$2,506,288
EBIT			\$2,833,000	\$3,218,000	\$3,215,000	\$3,300,285	\$3,465,299	\$3,707,870	\$3,893,263	\$4,010,061
Interest Expense			\$243,000	\$272,000	\$343,000	\$337,355	\$320,487	\$303,620	\$286,752	\$269,884
EBT			\$2,590,000	\$2,946,000	\$2,872,000	\$2,962,930	\$3,144,812	\$3,404,250	\$3,606,512	\$3,740,177
Income Tax Expense			\$826,000	\$850,000	-\$282,000	\$888,879	\$943,443	\$1,021,275	\$1,081,953	\$1,122,053
Net Income			\$1,764,000	\$2,096,000	\$3,154,000	\$2,074,051	\$2,201,368	\$2,382,975	\$2,524,558	\$2,618,124
Income Statement Assumptions										
Revenue Growth	4%			4%	5%	3%	5%	7%	5%	3%
Gross Margin	13%	13%	13%	14%	13%	13%	13%	13%	13%	13%
Operating Exp as % of Revenue	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Taxes as % of EBT	17%	30%	32%	29%	-10%	30%	30%	30%	30%	30%
Other Assumptions % of Revenue										
Depreciation			\$697,000	\$748,000	\$933,000	\$825,071	\$866,325	\$926,967	\$973,316	\$1,002,515
Capex			\$695,000	\$1,069,000	\$1,200,000	\$1,237,607	\$1,299,487	\$1,390,451	\$1,459,974	\$1,503,773
Depreciation	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Capex	3%	3%	2%	3%	3%	3%	3%	3%	3%	3%
Debt Schedule										
Short Term Debt			\$79,000	\$128,000	\$1,306,000					
Long Term Debt			\$6,200,000	\$9,297,000	\$7,962,000					
Total Debt Outstanding			\$6,279,000	\$9,425,000	\$9,268,000	\$8,804,600	\$8,341,200	\$7,877,800	\$7,414,400	\$6,951,000
Increase / Decrease		5.00%				-\$463,400	-\$463,400	-\$463,400	-\$463,400	-\$463,400
Interest Payment	3.99%	3.64%		4.33%	3.64%	\$337,355	\$320,487	\$303,620	\$286,752	\$269,884
Ratio Analysis - Assumptions										
EBITDA			\$3,530,000	\$3,966,000	\$4,148,000	\$4,125,356	\$4,331,624	\$4,634,837	\$4,866,579	\$5,012,577
Trend Analysis										
Revenue Growth				4%	5%	3%	5%	7%	5%	3%
Solvency Ratios (Lev Mgt Ratios)										
Total Debt / EBITDA (incl. CPLTD)			1.78x	2.38x	2.23x	2.13x	1.93x	1.70x	1.52x	1.39x
EBITDA / Interest Coverage Ratio			14.53x	14.58x	12.09x	12.23x	13.52x	15.27x	16.97x	18.57x
EBIT / Interest Coverage Ratio			11.66x	11.83x	9.37x	9.78x	10.81x	12.21x	13.58x	14.86x
Profitability Ratios										
Gross Margin %			13%	14%	13%	13%	13%	13%	13%	13%
EBITDA Margin %			10%	10%	10%	10%	10%	10%	10%	10%
EBIT Margin %			8%	8%	8%	8%	8%	8%	8%	8%

Projection Analysis Assumptions

Revenue

- Total Revenue growth is expected to grow at a spread between 3% to 7% in projections to keep consistent with Tyson Foods, Inc. historical growth trends. Although Tyson had experienced rapid growth in prior years, in recent years there has been a downward trend in revenue growth with conservative figures around 5% normalizing in the last 3 years.
- Revenue growth in this field is consistent year over year with food industries unless volume demand increases or price of produced foods rises. In the case of Tyson they are seeking growth in acquiring companies to drive up production values and branch out into diversified product offerings. Therefore in their 4 main categories of food offerings from Beef, Chicken, Pork, and Prepared foods we expect conservative growth metrics.

Other Assumptions

- Capital expenditures are expected to maintain a steady 3% of revenues following with prior years. Tyson already has processing facilities set in place and is focusing on an acquisition model as opposed to uprooting new production plants, therefore capex is relatively low and consistent.
- Following suit with capex, depreciation costs are relatively consistent at 2% of revenues and will be projected out in the analysis.
- Debt repayment is accelerated with Tysons policy of extinguishing outstanding debt balances to fuel acquisition initiatives with new debt originations. Therefore outstanding cash balances and operating activities are pushing a rapid paydown of debt with liquid finances.

Gross Margin | EBITDA Margin | EBIT Margin

- 3-year average Gross, EBITDA, and EBIT Margins are stagnant at 13%, 10%, and 8%.
- Margins are expected to stay constant in projections due to consistent breakdown of expenses in food industry. The margin of return on processed foods is consistent year over year with increase in revenues causing an equal percentage increase in cost of revenues and operating costs.
- Operating expenses maintain 5% average throughout projections reflecting prior expense amounts.

Results

- With recent negative performance, company is expected to recover in the markets with new acquisitions diversifying product mix and consistent revenue growth expected in recent years.
- Prior negative performance driven with fears of inflation which directly affects protein sales as they are expensive compared to other produce, rising feed costs which affect the bottom line of production resources, and international trade concerns affecting produce sales internationally for the multinational corporation.
- All valuation methodologies and based on projection analysis place Tyson Foods as a strong buy due to the factors listed above. The Stock had dropped from over \$80 since January of 2018 to \$56 as of December 2018 due to concerns outside of the companies performance. However, valuation average from the 4 methodologies show the stocks true valuation price is around the \$83 mark which is where the stock was in the start of this Fiscal Year.

Valuation Analysis Methodologies



Method #1 – Share Price

Company	Ticker	Share Price as of (12/7/2018)	Shares Outstanding (\$ in 000's)	Equity Value (\$ in 000's)	Debt (\$ in 000's)	Cash (\$ in 000's)	Enterprise Value (\$ in 000's)
Tyson Foods	TSN	\$56.21	365100	\$20,522,271	\$9,268,000	\$270,000	\$29,520,271

Tyson Foods EV	\$29,520,271
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Class A Common Stock Shares Outstanding	295100
Class B Common Stocks Shares Outstanding	70000
	<u>365100</u>

Method #2 – EBITDA Multiples

Company	Ticker	Share Price as of (12/7/2018)	Shares Outstanding (\$ in 000's)	Equity Value (\$ in 000's)	Debt (\$ in 000's)	Cash (\$ in 000's)	Enterprise Value (\$ in 000's)	EBITDA (\$ in 000's)	EBITDA Multiple	Beta	Leverage
Pilgrim's Pride Corporation	PPC	\$17.15	249000	\$4,270,350	\$1,924,900	\$581,510	\$5,613,740	\$898,100	6.25x	-0.17	2.14
Kellogg Company	K	\$60.84	347000	\$21,111,480	\$8,614,000	\$281,000	\$29,444,480	\$3,019,000	9.75x	0.43	2.85
Conagra Brands, Inc.	CAG	\$30.84	485600	\$14,975,904	\$3,770,500	\$128,000	\$18,618,404	\$1,488,500	12.51x	0.28	2.53
General Mills, Inc.	GIS	\$38.48	596200	\$22,941,776	\$15,180,800	\$399,000	\$37,723,576	\$3,390,000	11.13x	0.63	4.48
Sanderson Farms, Inc.	SAFM	\$103.30	22800	\$2,355,240	-\$288,300	\$419,285	\$1,647,655	\$305,200	5.40x	-0.08	-0.94
Campbell Soup Company	CPB	\$37.77	301000	\$11,368,770	\$9,641,000	\$226,000	\$20,783,770	\$1,966,000	10.57x	-0.18	4.90
The Hershey Company	HSY	\$107.14	209800	\$22,477,972	\$3,882,400	\$380,179	\$25,980,193	\$1,905,200	13.64x	0.03	2.04
Tyson Foods	TSN	\$56.21	365100	\$20,522,271	\$9,268,000	\$270,000	\$29,520,271	\$4,148,000	7.12x	0.70	2.23

Tyson Foods EBITDA	\$4,148,000	Average	9.89x	0.13	2.57
Average EBITDA Multiple	9.55x	AVG Outlier	9.55x		
Tyson Foods Value	\$39,632,865.31				

Valuation Analysis Methodologies Continued



Method #4 - Discounted Cash Flow Valuation Analysis

		1	2	3	4	5	6	
	Projected Assumptions	Input Actual Sep-18	Sep-19	Sep-20	Sep-21	Sep-22	EXIT YEAR Sep-23	Sep-24
Revenues		\$40,052,000	\$41,253,560	\$43,316,238	\$46,348,375	\$48,665,793	\$50,125,767	\$51,128,283
Revenue Growth Assumptions		5%	3%	5%	7%	5%	3%	2%
Cost of Revenues	87%	\$34,825,000	\$35,890,597	\$37,685,127	\$40,323,086	\$42,339,240	\$43,609,417	\$44,481,606
Operating Expenses	5%	\$2,012,000	\$2,062,678	\$2,165,812	\$2,317,419	\$2,433,290	\$2,506,288	\$2,556,414
EBIT		\$3,215,000	\$3,300,285	\$3,465,299	\$3,707,870	\$3,893,263	\$4,010,061	\$4,090,263
Less: Tax Expense	30%	-\$282,000	\$888,878.88	\$943,443.48	\$1,021,275.09	\$1,081,953.47	\$1,122,053.16	\$1,151,173.86
Plus: Depreciation	2%	\$933,000	\$825,071.20	\$866,324.76	\$926,967.49	\$973,315.87	\$1,002,515.34	\$1,022,565.65
Less: Capex	3%	\$1,200,000	\$1,237,606.80	\$1,299,487.14	\$1,390,451.24	\$1,459,973.80	\$1,503,773.02	\$1,533,848.48
FCFF		\$3,230,000	\$1,998,870.32	\$2,088,693.18	\$2,223,111.14	\$2,324,652.07	\$2,386,750.54	\$2,427,805.92
EBITDA		\$4,148,000	\$4,125,356	\$4,331,624	\$4,634,837	\$4,866,579	\$5,012,577	\$5,112,828
Terminal Value	Assumptions							
EBITDA Multiple Method	9.55x						\$47,893,630.18	
Perpetuity Method	6.17%						\$58,275,836.64	Using yr 6 FCFF
Average							\$53,084,733.41	75% of original Debt
Less Debt Outstanding (Exit)							\$6,951,000.00	
Plus Cash (Exit)							-	
Equity Value at Terminal							\$46,133,733.41	
Equity Cash Flows			\$1,998,870.32	\$2,088,693.18	\$2,223,111.14	\$2,324,652.07	\$48,520,483.95	
PV Table			0.92764	0.86052	0.79826	0.74050	0.68692	
PV of Equity			\$1,854,239.63	\$1,797,368.50	\$1,774,618.04	\$1,721,404.44	\$33,329,693.48	
Total PV of Equity		\$40,477,324						
+PV of Debt		\$9,268,000						
- Less Cash		\$270,000						
Tyson Foods Enterprise Value		\$49,475,324						

WACC Calculations					
	Amount (\$ in 000's)	% Cap	Return / Interest	After Tax	WACC
Market Value of Equity	\$20,522,271	68.89%	7.80%	7.80%	5.37%
Total Debt	\$9,268,000	31.11%	3.64%	2.55%	0.79%
Total Capital	\$29,790,271	100.00%			6.17%
7-year Treasury Note	2.90%				
Historical Market Premium	7%				
Company Beta	0.70				
Historical Tax Rate	30%				

Valuation Analysis Methodologies Discussion



Tyson Foods Enterprise Valuation Analysis (\$ in 000's)

	Enterprise Value	Debt	Cash	Equity Value	Shares Outstanding	Stock Price
Method #1	\$29,520,271	\$9,268,000	\$270,000	\$20,522,271	365100	\$56.21
Method #2	\$39,632,865	\$9,268,000	\$270,000	\$30,634,865	365100	\$83.91
Method #4	\$49,475,324	\$9,268,000	\$270,000	\$40,477,324	365100	\$110.87
Average	\$39,542,820	\$9,268,000	\$270,000	\$30,544,820		\$83.66

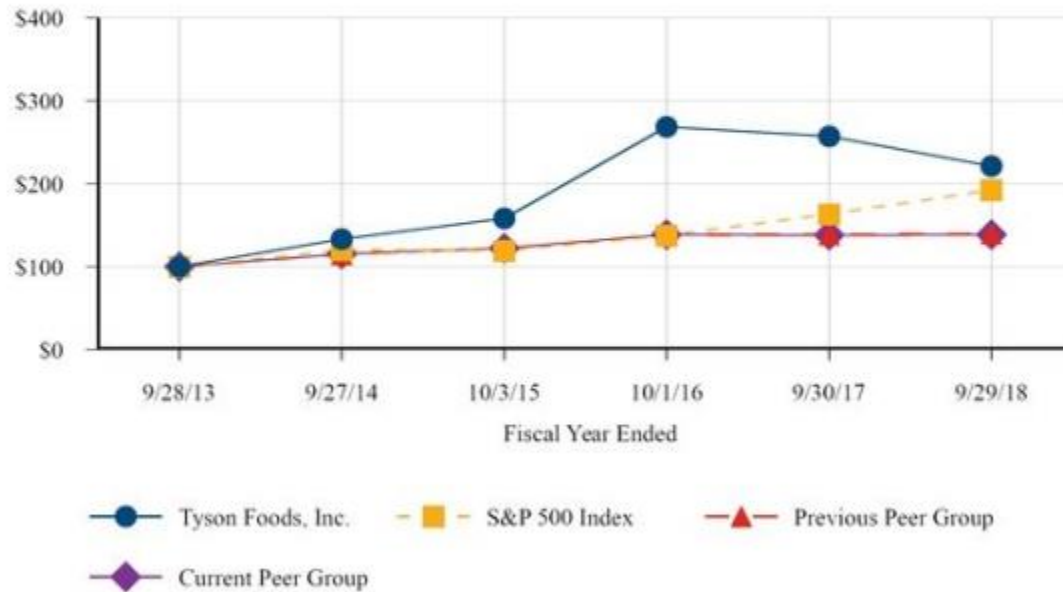
Tyson Foods Valuation Analysis Discussion

- Tyson Foods current Enterprise Value is \$29.5bn and its EBITDA multiple is 7.12x which falls within the lower end of its competitors which range from 5x to over 13x, excluding outliers. Compared to performance and multiples of peers, Tyson Foods stock is significantly undervalued as shown in method #2, further supported by reasons in the results section of projection analysis.
- Tyson Foods is undervalued significantly in all 3 valuation methods, however this does not mean the price is expected to rise. Factors as highlighted below may be external to the company sprouting from issues it has no control over such as rising raw produce costs, international trade issues, and rising feed costs. Based off performance metrics and comparative analysis Tyson is expected to recover and perform at its optimal level, the issues mentioned before have caused a significant drop in stock price this year (-29.73%). Relative to market performance and its competitors, Tyson Foods has a beta of 0.70, significantly higher from its peers and the average of 0.13, which shows the volatility in stock price to market reactions.
- Investing in Tyson Foods does not imply a guarantee gain in investments, but the analysis provided show there is opportunity to gain from the stock based on the current state of the industry.
- Due to the significant undervaluation of the stock, Tyson Foods is a strong buy

Technical Analysis



**Comparison of 5 Year Cumulative Total Returns
Among Tyson Foods, Inc., the S&P 500 Index,
our Previous Peer Group and our Current Peer Group**



	Sep-13	Sep-14	Oct-15	Oct-16	Sep-17	Sep-18
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Tyson Foods, Inc.	\$100.00	\$133.03	\$157.97	\$268.27	\$256.90	\$220.78
S&P 500 Index	\$100.00	\$119.73	\$119.00	\$137.36	\$162.92	\$192.10
Previous Peer Group	\$100.00	\$114.65	\$121.89	\$138.71	\$138.27	\$139.24
Current Peer Group	\$100.00	\$114.98	\$121.92	\$138.54	\$138.08	\$138.36

- The chart and graph represent the performance of Tyson through a 5-year comparison of cumulative total returns.
- With declining performance as of recent due to various factors and increased acquisitions, Tyson has shown consistently strong performance compared to the S&P 500 Index and peer groups which are made up of comparative companies such as Archer-Daniels-Midland Company, Bunge Limited, Campbell Soup Company, ConAgra Foods, Inc., General Mills, Inc., Hormel Foods Corp., Kellogg Co., Kraft Heinz Company, Mondelez International Inc., PepsiCo, Inc., Pilgrim's Pride Corporation, The Coca-Cola Company, The Hershey Company and The J.M. Smucker Company.

Historical Financial Statements



Income Statement (\$ in 000's)

Revenue	Sep-15	Sep-16	Sep-17	Sep-18
Total Revenue	41,373,000	36,881,000	38,260,000	40,052,000
Cost of Revenue	37,226,000	32,184,000	33,062,000	34,825,000
Gross Profit	4,147,000	4,697,000	5,198,000	5,227,000
Operating Expenses				
Research Development	-	-	-	-
Selling General and Administrative	1,681,000	1,864,000	1,980,000	2,012,000
Non Recurring	-	-	-	-
Others	-	-	-	-
Total Operating Expenses	38,907,000	34,048,000	35,042,000	36,837,000
Operating Income or Loss	2,466,000	2,833,000	3,218,000	3,215,000
Income from Continuing Operations				
Total Other Income/Expenses Net	-545,000	-235,000	-590,000	-470,000
Earnings Before Interest and Taxes	2,466,000	2,833,000	3,218,000	3,215,000
Interest Expense	-293,000	-249,000	-279,000	-350,000
Income Before Tax	1,921,000	2,598,000	2,628,000	2,745,000
Income Tax Expense	697,000	826,000	850,000	-282,000
Minority Interest	15,000	16,000	18,000	8,000
Net Income From Continuing Ops	1,224,000	1,772,000	1,778,000	3,027,000
Non-recurring Events				
Discontinued Operations	-	-	-	-
Extraordinary Items	-	-	-	-
Effect Of Accounting Changes	-	-	-	-
Other Items	-	-	-	-
Net Income	1,220,000	1,768,000	1,774,000	3,024,000
Preferred Stock And Other Adjustments	-	-	-	-
Net Income Applicable To Common Shares	1,220,000	1,768,000	1,774,000	3,024,000

Balance Sheet (\$ in 000's)

Period Ending	Sep-15	Sep-16	Sep-17	Sep-18
Current Assets				
Cash And Cash Equivalents	688,000	349,000	318,000	270,000
Short Term Investments	2,000	4,000	3,000	1,000
Net Receivables	1,620,000	1,542,000	1,675,000	1,723,000
Inventory	2,878,000	2,732,000	3,239,000	3,513,000
Other Current Assets	193,000	261,000	1,023,000	181,000
Total Current Assets	5,381,000	4,888,000	6,258,000	5,688,000
Long Term Investments	93,000	93,000	95,000	97,000
Property Plant and Equipment	5,176,000	5,170,000	5,568,000	6,169,000
Goodwill	6,667,000	6,669,000	9,324,000	9,739,000
Intangible Assets	5,168,000	5,084,000	6,243,000	6,759,000
Accumulated Amortization	-	-	-	-
Other Assets	484,000	469,000	578,000	657,000
Deferred Long Term Asset Charges	-	-	-	-
Total Assets	22,969,000	22,373,000	28,066,000	29,109,000
Current Liabilities				
Accounts Payable	1,662,000	1,511,000	1,698,000	1,694,000
Short/Current Long Term Debt	715,000	79,000	128,000	1,306,000
Other Current Liabilities	488,000	397,000	755,000	877,000
Total Current Liabilities	3,535,000	2,762,000	4,032,000	5,031,000
Long Term Debt	5,975,000	6,200,000	9,297,000	7,962,000
Other Liabilities	3,753,000	3,787,000	4,178,000	3,305,000
Minority Interest	15,000	16,000	18,000	8,000
Total Liabilities	13,263,000	12,749,000	17,507,000	16,298,000
Stockholders' Equity				
Common Stock	42,000	43,000	45,000	45,000
Retained Earnings	6,813,000	8,348,000	9,776,000	12,329,000
Treasury Stock	-1,471,000	-3,138,000	-3,658,000	-3,958,000
Capital Surplus	4,307,000	4,355,000	4,378,000	4,387,000
Other Stockholder Equity	-90,000	-45,000	16,000	-15,000
Total Stockholder Equity	9,691,000	9,608,000	10,541,000	12,803,000
Net Tangible Assets	-2,144,000	-2,145,000	-5,026,000	-3,695,000

Historical Financial Statements



Cash Flow Statement (\$ in 000's)				
Period Ending	Sep-15	Sep-16	Sep-17	Sep-18
Net Income	1,220,000	1,768,000	1,774,000	3,024,000
Operating Activities, Cash Flows Provided By or Used In				
Depreciation	701,000	697,000	748,000	933,000
Adjustments To Net Income	290,000	180,000	214,000	-718,000
Changes In Accounts Receivables	66,000	73,000	-55,000	-2,000
Changes In Liabilities	-162,000	-130,000	61,000	-44,000
Changes In Inventories	220,000	148,000	-246,000	-207,000
Changes In Other Operating Activities	48,000	-9,000	35,000	-144,000
Total Cash Flow From Operating Activities	2,570,000	2,716,000	2,599,000	2,963,000
Investing Activities, Cash Flows Provided By or Used In				
Capital Expenditures	-854,000	-695,000	-1,069,000	-1,200,000
Investments	14,000	-9,000	-18,000	-5,000
Other Cash flows from Investing Activities	31,000	20,000	4,000	-24,000
Total Cash Flows From Investing Activities	-270,000	-684,000	-4,164,000	-1,906,000
Financing Activities, Cash Flows Provided By or Used In				
Dividends Paid	-147,000	-216,000	-319,000	-431,000
Sale Purchase of Stock	-	-	-	-
Net Borrowings	-1,494,000	-413,000	2,763,000	-332,000
Other Cash Flows from Financing Activities	17,000	68,000	-208,000	-14,000
Total Cash Flows From Financing Activities	-2,035,000	-2,377,000	1,530,000	-1,102,000
Effect Of Exchange Rate Changes	-15,000	6,000	4,000	-3,000
Change In Cash and Cash Equivalents	250,000	-339,000	-31,000	-48,000