HSY reported sales revenue of $7.808 billion for the year ending December of 2018, while in 2017, the sales revenue was $7.515 billion. This shows a slight increase in sales revenue. Inspire of the economic crisis since 2008, the sales revenue at HSY has been increasing.

The financial ratio shows that it is higher than the median of its peer group: around 12.00. According to these financial ratios HSY's valuation is above the market valuation of its peer group. While it is significantly higher than the average of its sector (Food Products): 9.42. According to these financial ratios HSY's valuation is way above the market valuation of its sector. Also, it is slightly lower than its historical 5-year average: 12.6. The (current) company valuation of HSY is therefore consistent with its valuation average over the last five years.

In the past three years, HSY’s stock has been increasing in value. 2015 was the best performance year for the company. However, a slight drop is being noticed in 2019. The current stock price fluctuates around $105 per share that is a drop of 2.94%. in 2018, the company paid $2.79 dividend per share. The gross profit margin is slightly higher in 2018 than last year, in which the cost of goods sold. In fact, the 2018 gross profit margin is profitable as well.

**Financial Ratios**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
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|  |  |  |
| --- | --- | --- |
| **Size** | 2018e | 2019e |
| Capitalization | **22 777 M$** | - |
| Entreprise Value (EV) | **26 688 M$** | **26 507 M$** |

|  |  |  |
| --- | --- | --- |
| **Valuation** | 2018e | 2019e |
| P/E ratio (Price / EPS) | **20,6x** | **19,2x** |
| Capitalization / Revenue | **2,92x** | **2,86x** |
| EV / Revenue | **3,42x** | **3,33x** |
| EV / EBITDA | **14,2x** | **13,6x** |
| Yield (DPS / Price) | **2,57%** | **2,73%** |
| Price to book (Price / BVPS) | **21,1x** | **18,2x** |

|  |  |  |
| --- | --- | --- |
| **Profitability** | 2018e | 2019e |
| Operating Margin (EBIT / Sales) | **20,4%** | **21,0%** |
| operating Leverage (Delta EBIT / Delta Sales) | **0,73x** | **2,51x** |
| Net Margin (Net Profit / Revenue) | **14,0%** | **14,8%** |
| ROA (Net Profit / Asset) | **18,5%** | **17,3%** |
| ROE (Net Profit / Equities) | **114%** | **114%** |
| Rate of Dividend | **52,9%** | **52,3%** |

|  |  |  |
| --- | --- | --- |
| **Balance Sheet Analysis** | 2018e | 2019e |
| CAPEX / CA   | **4,31%** | **4,00%** |
| Cash Flow / Sales | **15,7%** | **16,7%** |
| Capital Intensity (Assets / Sales) | **0,76x** | **0,86x** |
| Financial Leverage (Net Debt / EBITDA) | **2,08x** | **1,91x** |

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**References**

<http://finance.yahoo.com>

[www.hoovers.com](http://www.hoovers.com)

<http://globaledge.msu.edu/industries/>