

# ModernGraham Valuation

Company Name:

FMC Corp

Company Ticker FMC

Date of Analysis

9/4/2015



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

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.85
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$148.33</b>
MG Value based on 3% Growth	\$55.86
MG Value based on 0% Growth	\$32.75
Market Implied Growth Rate	1.14%

### MG Opinion

Current Price	\$41.57
% of Intrinsic Value	28.03%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$8.18
Graham Number	\$49.40
PEmg	10.79
Current Ratio	1.92
PB Ratio	2.58
Dividend Yield	1.52%
Number of Consecutive Years of Dividend Growth	5

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.72	Next Fiscal Year Estimate	\$3.85
Dec14	\$2.29	Dec14	\$2.36
Dec13	\$2.16	Dec13	\$2.29
Dec12	\$3.00	Dec12	\$2.26
Dec11	\$2.55	Dec11	\$1.80
Dec10	\$1.18	Dec10	\$1.38
Dec09	\$1.56	Dec09	\$1.39
Dec08	\$2.01	Dec08	\$1.23
Dec07	\$0.86	Dec07	\$0.81
Dec06	\$0.83	Dec06	\$0.74
Dec05	\$0.73	Dec05	\$0.45
Dec04	\$1.07	Dec04	\$0.20
Dec03	\$0.19	Dec03	-\$0.13
Dec02	\$0.48	Dec02	-\$0.12
Dec01	-\$2.72	Dec01	-\$0.17
Dec00	\$0.88	Dec00	\$1.12
Dec99	\$1.64	Dec99	\$1.25
Dec98	\$0.76	<b>Balance Sheet Information Jun15</b>	
Dec97	\$1.10	Total Current Assets	\$3,805,700,000
Dec96	\$1.39	Total Current Liabilities	\$1,980,600,000
Dec95	\$1.43	Long-Term Debt	\$2,050,900,000
		Total Assets	\$7,075,200,000
		Intangible Assets	\$1,572,300,000
		Total Liabilities	\$4,905,400,000
		Shares Outstanding (Diluted Average)	134,445,000



**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

[The Best Companies of the Chemicals Industry – August 2015](#)  
[FMC Corporation Analysis – June 2015 Quarterly Update \\$FMC](#)  
[23 Companies in the Spotlight This Week – 3/9/15](#)  
[FMC Corporation Quarterly Valuation – March 2015 \\$FMC](#)  
[32 Companies in the Spotlight This Week – 12/6/14](#)

Other  
ModernGraham  
posts about related  
companies

[Ashland Inc. Analysis – Initial Coverage \\$ASH](#)  
[The Best Companies of the Chemicals Industry – August 2015](#)  
[LyondellBasell Industries Analysis – August 2015 Update \\$LYB](#)  
[Albemarle Corporation Analysis – Initial Coverage \\$ALB](#)  
[E I Du Pont de Nemours & Company Analysis – August 2015 Update \\$DD](#)  
[Dow Chemical Analysis – July 2015 Update \\$DOW](#)  
[Sigma-Aldrich Corporation Analysis – June 2015 Update \\$SIAL](#)  
[Eastman Chemical Company Analysis – June 2015 Quarterly Update \\$EMN](#)  
[FMC Corporation Analysis – June 2015 Quarterly Update \\$FMC](#)  
[LyondellBassell Industries Quarterly Valuation – May 2015 \\$LYB](#)