

# ModernGraham Valuation

Company Name:

AGCO Corporation

Company Ticker AGCO

Date of Analysis

11/6/2015



## 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	\$4,187,295,081	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.58	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	130.57%	Pass
6. Moderate PEmg Ratio	PEmg < 20	10.77	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.42	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	1.58	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.95	Pass
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>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.46
MG Growth Estimate	3.70%
<b>MG Value</b>	<b>\$70.93</b>
MG Value based on 3% Growth	\$64.69
MG Value based on 0% Growth	\$37.92
Market Implied Growth Rate	1.14%

### MG Opinion

Current Price	\$48.05
% of Intrinsic Value	67.74%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$7.42
Graham Number	\$47.46
PEmg	10.77
Current Ratio	1.58
PB Ratio	1.42
Dividend Yield	0.98%
Number of Consecutive Years of Dividend Growth	3

### 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	\$2.98	Next Fiscal Year Estimate	\$4.46
Dec14	\$4.36	Dec14	\$5.06
Dec13	\$6.01	Dec13	\$5.01
Dec12	\$5.30	Dec12	\$4.27
Dec11	\$5.95	Dec11	\$3.58
Dec10	\$2.29	Dec10	\$2.23
Dec09	\$1.44	Dec09	\$1.97
Dec08	\$3.95	Dec08	\$2.02
Dec07	\$2.55	Dec07	\$1.02
Dec06	-\$0.71	Dec06	\$0.25
Dec05	\$0.35	Dec05	\$0.64
Dec04	\$1.71	Dec04	\$0.65
Dec03	\$0.98	Dec03	\$0.08
Dec02	-\$1.14	Dec02	-\$0.25
Dec01	\$0.31	Dec01	\$0.39
Dec00	\$0.06	Dec00	\$0.67
Dec99	-\$0.20	Dec99	\$1.19
Dec98	\$0.99	<b>Balance Sheet Information Sep15</b>	
Dec97	\$2.71	Total Current Assets	\$3,500,500,000
Dec96	\$2.20	Total Current Liabilities	\$2,212,200,000
Dec95	\$2.30	Long-Term Debt	\$1,230,200,000
		Total Assets	\$7,071,600,000
		Intangible Assets	\$1,644,400,000
		Total Liabilities	\$4,144,200,000
		Shares Outstanding (Diluted Average)	86,700,000





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 Machinery Industry – August 2015](#)
- [The 20 Best Stocks For Value Investors This Week – 8/15/15](#)
- [AGCO Corporation Analysis – Initial Coverage \\$AGCO](#)

Other ModernGraham posts about related companies

- [Joy Global Inc. Valuation – November 2015 Update \\$JOY](#)
- [Rockwell Automation Inc. Valuation – October 2015 Update \\$ROK](#)
- [Paccar Inc. Analysis – October 2015 Update \\$PCAR](#)
- [W.W. Grainger Inc. Analysis – October 2015 Update \\$GWW](#)
- [My Personal Holdings: Deere & Company – October 2015 Update \\$DE](#)
- [Allegion PLC Analysis – September 2015 Update \\$ALLE](#)
- [Parker Hannifin Corporation Analysis – September 2015 Update \\$PH](#)
- [Roper Technologies Inc. Analysis – September 2015 Update \\$ROP](#)
- [My Personal Holdings: Dover Corporation – September 2015 Update \\$DOV](#)
- [Xylem Inc. Analysis – August 2015 Update \\$XYL](#)