# **ModernGraham Valuation**

### **Company Name:**

**Monsanto Company** 



Company Ticker MON

Date of Analysis 1/25/2016

## 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.

<ol> <li>Adequate Size of the Enterprise</li> </ol>	Market Cap > \$2Bil	\$40,455,449,990 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.23 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	
5. Earnings Growth	beginning and end	62.64% Pass
6. Moderate PEmg Ratio	PEmg < 20	18.09 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	11.14 Fail

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	1.23 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.14 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

Defensive No Enterprising No

### Stage 2: Determination of Intrinsic Value

EPSmg	\$4.83
MG Growth Estimate	7.66%
MG Value	\$114.95
MG Value based on 3% Growth	\$69.98
MG Value based on 0% Growth	\$41.02
Market Implied Growth Rate	4.80%

MG Opinion

Current Price \$87.32 % of Intrinsic Value 75.96% Opinion Fairly Valued

### Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$16.34
Graham Number	\$29.85
PEmg	18.09
Current Ratio	1.23
PB Ratio	11.14
Dividend Yield	2.30%
Number of Consecutive Years of Dividend Growth	18

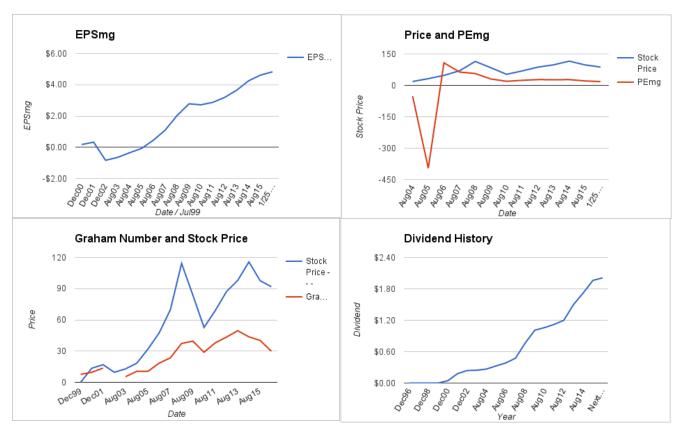
Morningstar

Useful Links: ModernGraham tagged articles

Google FinanceMSN MoneyYahoo FinanceSeeking AlphaGuruFocusSEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.90	Next Fiscal Year Estimate	\$4.83
Aug15	\$4.81	Aug15	\$4.62
Aug14	\$5.22	Aug14	\$4.25
Aug13	\$4.60	Aug13	\$3.65
Aug12	\$3.79	Aug12	\$3.19
Aug11	\$2.96	Aug11	\$2.87
Aug10	\$1.99	Aug10	\$2.71
Aug09	\$3.77	Aug09	\$2.78
Aug08	\$3.62	Aug08	\$2.03
Aug07	\$1.79	Aug07	\$1.10
Aug06	\$1.25	Aug06	\$0.44
Aug05	\$0.47	Aug05	-\$0.08
Aug04	\$0.50	Aug04	-\$0.36
Aug03	\$0.13	Aug03	-\$0.65
Dec02	-\$3.25	Dec02	-\$0.83
Dec01	\$0.57	Dec01	\$0.33
Dec00	\$0.29	Dec00	\$0.17
Dec99	\$0.29	Balance Sheet Information	Nov15
Dec98	\$0.00	Total Current Assets	\$10,467,000,000
Dec97	\$0.00	Total Current Liabilities	\$8,501,000,000
Dec96	\$0.00	Long-Term Debt	\$8,131,000,000
		Total Assets	\$21,446,000,000
		Intangible Assets	\$5,190,000,000
		Total Liabilities	\$17,887,000,000
		Shares Outstanding (Diluted Average)	454,100,000





#### 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  $\underline{\textbf{5} \ \textbf{Undervalued Companies for the Defensive Investor Near 52 Week Lows - September 2015}}$ 

15 Best Stocks For Value Investors This Week – 9/4/15

Monsanto Company Analysis – September 2015 Update \$MON

Monsanto Company Quarterly Valuation – June 2014 \$MON

17 Companies in the Spotlight This Week – 3/29/14

Other ModernGraham posts about related companies

Mosaic Company Valuation - October 2015 Update \$MOS

CF Industries Holdings Inc. Analysis – September 2015 Update \$CF

Monsanto Company Analysis - September 2015 Update \$MON

Mosaic Company Analysis – July 2015 Update \$MOS

CF Industries Holdings Analysis – June 2015 Update \$CF

Mosaic Inc. Quarterly Valuation – April 2015 \$MOS

CF Industries Holdings Inc. Quarterly Valuation - March 2015 \$CF

Mosaic Company Quarterly Valuation - January 2015 \$MOS

CF Industries Holdings Inc. Quarterly Valuation – December 2014 \$CF

Mosaic Company Quarterly Stock Valuation – October 2014 \$MOS