

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.

1. Adequate Size of the Enterprise	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
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at 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

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC 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

[5 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](#)

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[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](#)