

# ModernGraham Valuation

Company Name:

AGCO Corporation

Company Ticker

AGCO

Date of Analysis

2/9/2016



## 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	\$3,930,355,617	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
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	119.17%	Pass
5. Earnings Growth	PEmg < 20	10.94	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.39	Pass
7. Moderate Price to Assets			

*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	\$4.24
MG Growth Estimate	2.78%
<b>MG Value</b>	<b>\$59.61</b>
MG Value based on 3% Growth	\$61.50
MG Value based on 0% Growth	\$36.05
Market Implied Growth Rate	1.22%

### MG Opinion

Current Price	\$46.38
% of Intrinsic Value	77.80%
<b>Opinion</b>	<b>Fairly Valued</b>

## Stage 3: Information for Further Research

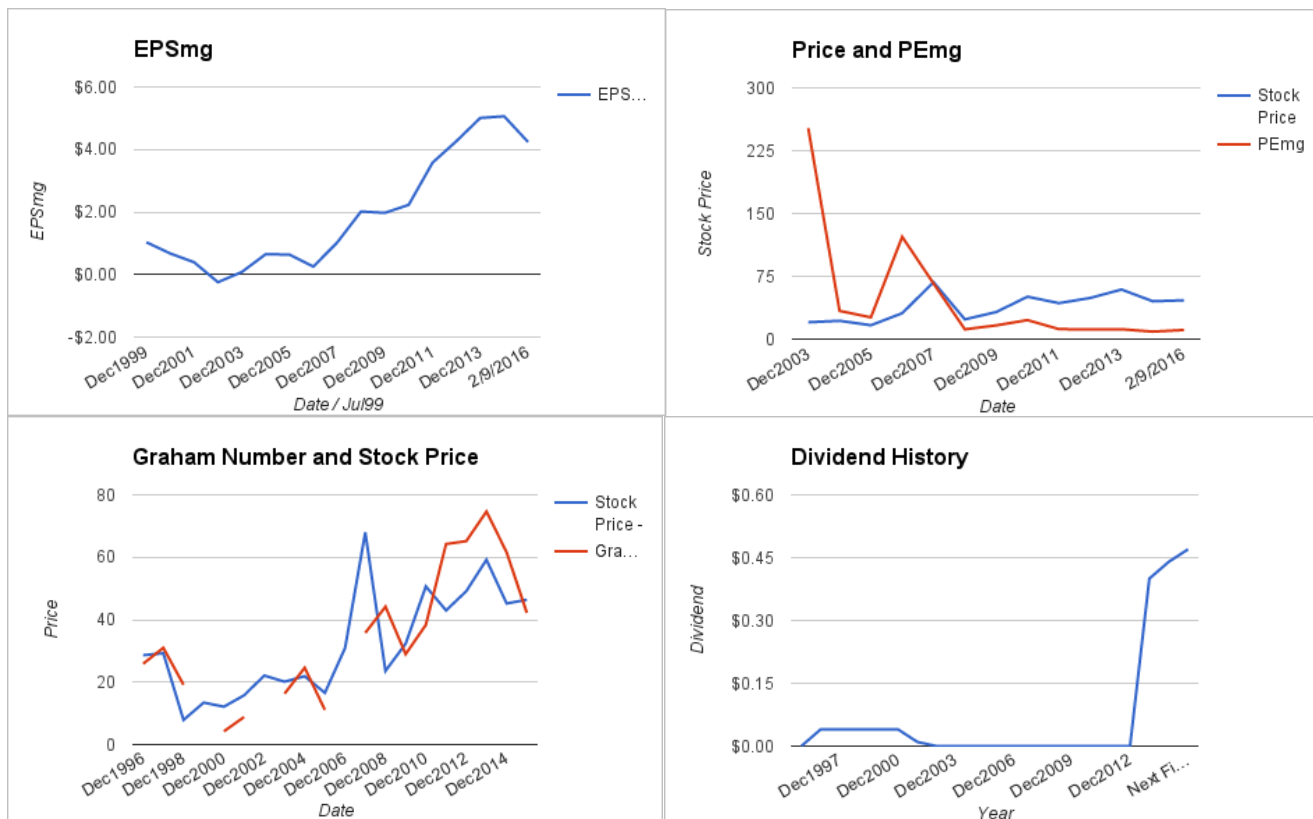
Net Current Asset Value (NCAV)	-\$7.33
Graham Number	\$42.19
PEmg	10.94
Current Ratio	1.58
PB Ratio	1.39
Dividend Yield	1.01%
Number of Consecutive Years of Dividend Growth	3

### 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	\$2.32	Next Fiscal Year Estimate	\$4.24
Dec2014	\$4.36	Dec2014	\$5.06
Dec2013	\$6.01	Dec2013	\$5.01
Dec2012	\$5.30	Dec2012	\$4.27
Dec2011	\$5.95	Dec2011	\$3.58
Dec2010	\$2.29	Dec2010	\$2.23
Dec2009	\$1.44	Dec2009	\$1.97
Dec2008	\$3.95	Dec2008	\$2.02
Dec2007	\$2.55	Dec2007	\$1.02
Dec2006	-\$0.71	Dec2006	\$0.25
Dec2005	\$0.35	Dec2005	\$0.64
Dec2004	\$1.71	Dec2004	\$0.65
Dec2003	\$0.98	Dec2003	\$0.08
Dec2002	-\$1.14	Dec2002	-\$0.25
Dec2001	\$0.31	Dec2001	\$0.39
Dec2000	\$0.06	Dec2000	\$0.67
Dec1999	-\$0.20	Dec1999	\$1.03
Dec1998	\$0.99	<div>Balance Sheet InformationSep2015</div>	
Dec1997	\$2.71	Total Current Assets	\$3,500,500,000
Dec1996	\$2.20	Total Current Liabilities	\$2,212,200,000
Dec1995	\$0.00	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)	87,800,000





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

[10 Low PE Stocks for the Enterprising Investor – January 2016](#)  
[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 – February 2016 \\$JOY](#)  
[Allegion PLC Valuation – February 2016 Update \\$ALLE](#)  
[Rockwell Automation Inc Valuation – February 2016 Update \\$ROK](#)  
[Parker Hannifin Corp Valuation – January 2016 Update \\$PH](#)  
[Stanley Black & Decker Inc Valuation – January 2016 Update \\$SWK](#)  
[Paccar Inc Valuation – January 2016 Update \\$PCAR](#)  
[Xylem Inc Valuation – January 2016 Update \\$XYL](#)  
[Xylem Inc Valuation – January 2016 Update \\$XYL](#)  
[Roper Technologies Inc Valuation – January 2016 Update \\$ROP](#)  
[W W Grainger Inc Valuation – January 2016 Update \\$GWW](#)