

ModernGraham Valuation

Company Name:

AGCO Corporation

Company Ticker

AGCO

Date of Analysis

8/18/2016



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	\$3,735,526,052	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.54	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	15.37%	Fail
5. Earnings Growth	PEmg < 20	13.63	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.31	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	1.54	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.19	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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.42
MG Growth Estimate	-2.97%
MG Value	\$8.78
MG Value based on 3% Growth	\$49.63
MG Value based on 0% Growth	\$29.09
Market Implied Growth Rate	2.57%

MG Opinion

Current Price	\$46.66
% of Intrinsic Value	531.36%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.57
Graham Number	\$37.26
PEmg	13.63
Current Ratio	1.54
PB Ratio	1.31
Current Dividend	\$0.50
Dividend Yield	1.07%
Number of Consecutive Years of Dividend Growth	4

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EPS History

Next Fiscal Year Estimate

Dec2015	\$1.74
Dec2014	\$3.06
Dec2013	\$4.36
Dec2012	\$6.01
Dec2011	\$5.30
Dec2010	\$5.95
Dec2009	\$2.29
Dec2008	\$1.44
Dec2007	\$3.95
Dec2006	\$2.55
Dec2005	-\$0.71
Dec2004	\$0.35
Dec2003	\$1.71
Dec2002	\$0.98
Dec2001	-\$1.14
Dec2000	\$0.33
Dec1999	\$0.06
Dec1998	-\$0.20
Dec1997	\$0.99
Dec1996	\$2.71
Dec1995	\$2.20

EPSmg History

Next Fiscal Year Estimate

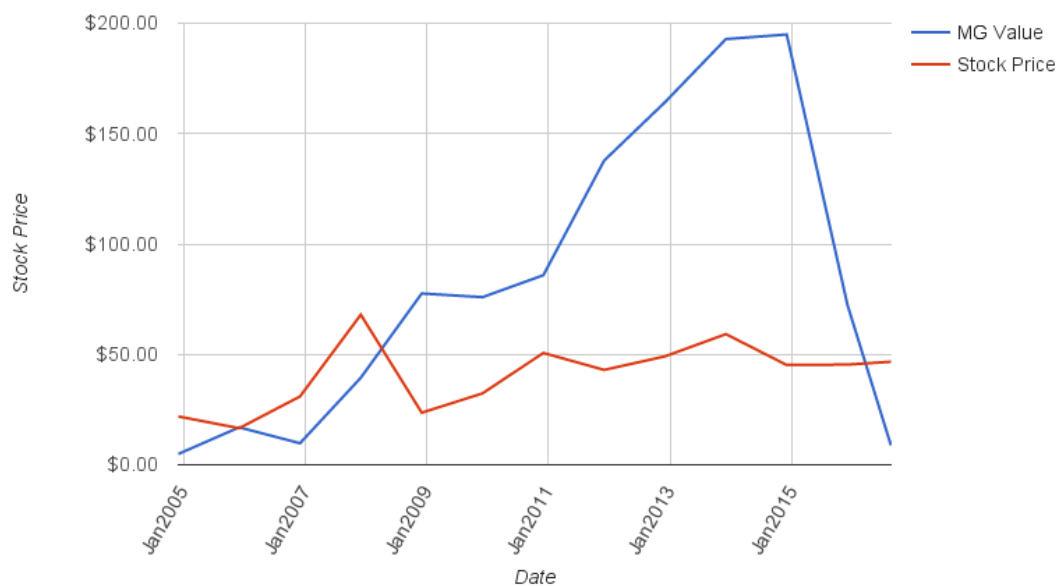
Dec2015	\$3.42
Dec2014	\$4.49
Dec2013	\$5.06
Dec2012	\$5.01
Dec2011	\$4.27
Dec2010	\$3.58
Dec2009	\$2.23
Dec2008	\$1.97
Dec2007	\$2.02
Dec2006	\$1.02
Dec2005	\$0.25
Dec2004	\$0.64
Dec2003	\$0.65
Dec2002	\$0.08
Dec2001	-\$0.24
Dec2000	\$0.40
Dec1999	\$0.67

Balance Sheet Information

6/1/2016

Total Current Assets	\$3,306,200,000
Total Current Liabilities	\$2,146,100,000
Long-Term Debt	\$1,378,700,000
Total Assets	\$7,015,900,000
Intangible Assets	\$1,696,900,000
Total Liabilities	\$4,092,200,000
Shares Outstanding (Diluted Average)	82,100,000

MG Value and Stock Price





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.

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- [AGCO Corporation Valuation – February 2016 \\$AGCO](#)
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