

ModernGraham Valuation

Company Name:

AGCO Corporation

Company Ticker AGCO

Date of Analysis

2/7/2017



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	\$5,106,520,533	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.59	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	16.88%	Fail
6. Moderate PEmg Ratio	PEmg < 20	18.39	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.77	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	1.59	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.48	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.46
MG Growth Estimate	-2.83%
MG Value	\$9.86
MG Value based on 3% Growth	\$50.21
MG Value based on 0% Growth	\$29.43
Market Implied Growth Rate	4.95%

MG Opinion

Current Price	\$63.69
% of Intrinsic Value	646.09%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.00
Graham Number	\$38.89
PEmg	18.39
Current Ratio	1.59
PB Ratio	1.77
Current Dividend	\$0.51
Dividend Yield	0.80%
Number of Consecutive Years of Dividend Growth	4

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	\$1.86	Next Fiscal Year Estimate	\$3.46
Dec2015	\$3.06	Dec2015	\$4.49
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	-\$0.24
Dec2001	\$0.33	Dec2001	\$0.40
Dec2000	\$0.06	Dec2000	\$0.67
Dec1999	-\$0.20	Balance Sheet Information	9/1/2016
Dec1998	\$0.99	Total Current Assets	\$3,429,100,000
Dec1997	\$2.71	Total Current Liabilities	\$2,158,000,000
Dec1996	\$2.20	Long-Term Debt	\$1,875,800,000
		Total Assets	\$7,541,000,000
		Intangible Assets	\$2,053,800,000
		Total Liabilities	\$4,640,800,000
		Shares Outstanding (Diluted Average)	80,800,000





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.

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- [10 Low PE Stocks for the Enterprising Investor – January 2016](#)
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- [Allegion PLC Valuation – January 2017 \\$ALLE](#)
- [Xylem Inc Valuation – January 2017 \\$XYL](#)
- [Clarcor Inc Valuation – Initial Coverage \\$CLC](#)
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