

ModernGraham Valuation

Company Name:

Monsanto Company

Company Ticker MON

Date of Analysis

3/27/2017



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	\$50,260,222,618	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.29	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 beginning and end	31.02%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	26.79	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	11.45	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	1.29	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.74	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.26
MG Growth Estimate	2.49%
MG Value	\$57.39
MG Value based on 3% Growth	\$61.75
MG Value based on 0% Growth	\$36.20
Market Implied Growth Rate	9.15%

MG Opinion

Current Price	\$114.09
% of Intrinsic Value	198.78%
Opinion	Overvalued
MG Grade	F

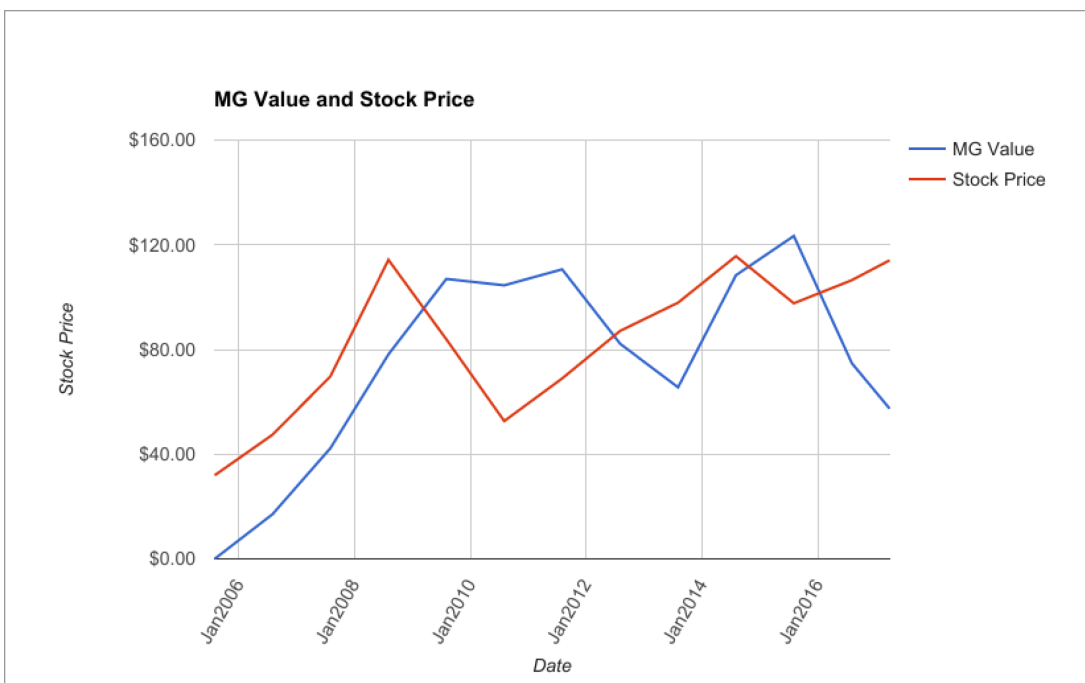
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.63
Graham Number	\$31.86
PEmg	26.79
Current Ratio	1.29
PB Ratio	11.45
Current Dividend	\$2.16
Dividend Yield	1.89%
Number of Consecutive Years of Dividend Growth	19

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	\$4.49	Next Fiscal Year Estimate	\$4.26
Aug2016	\$2.99	Aug2016	\$4.19
Aug2015	\$4.81	Aug2015	\$4.62
Aug2014	\$5.22	Aug2014	\$4.25
Aug2013	\$4.60	Aug2013	\$3.65
Aug2012	\$3.79	Aug2012	\$3.19
Aug2011	\$2.96	Aug2011	\$2.87
Aug2010	\$1.99	Aug2010	\$2.71
Aug2009	\$3.77	Aug2009	\$2.78
Aug2008	\$3.62	Aug2008	\$2.03
Aug2007	\$1.79	Aug2007	\$1.10
Aug2006	\$1.25	Aug2006	\$0.44
Aug2005	\$0.47	Aug2005	-\$0.08
Aug2004	\$0.50	Aug2004	-\$0.35
Aug2003	\$0.13	Aug2003	-\$0.64
Dec2002	-\$3.23	Dec2002	-\$0.83
Dec2001	\$0.57	Dec2001	\$0.33
Dec2000	\$0.29	Balance Sheet Information	11/1/2016
Dec1999	\$0.29	Total Current Assets	\$9,652,000,000
Dec1998	\$0.00	Total Current Liabilities	\$7,500,000,000
Dec1997	\$0.00	Long-Term Debt	\$8,047,000,000
		Total Assets	\$20,959,000,000
		Intangible Assets	\$5,076,000,000
		Total Liabilities	\$16,557,000,000
		Shares Outstanding (Diluted Average)	441,700,000





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

- [Monsanto Company Valuation – January 2016 Update \\$MON](#)
- [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](#)

Other
ModernGraham
posts about related
companies

- [Mosaic Company Valuation – February 2017 \\$MOS](#)
- [Scotts Miracle-Gro Inc Valuation – Initial Coverage \\$SMG](#)
- [Intrepid Potash Inc Valuation – Initial Coverage \\$IPI](#)
- [CF Industries Holdings Inc Valuation – August 2016 \\$CF](#)
- [CF Industries Valuation – March 2016 \\$CF](#)
- [Monsanto Company Valuation – January 2016 Update \\$MON](#)
- [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](#)