ModernGraham Valuation

Company Name:

Company Ticker DE Date of Analysis Deere & Company





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	\$51,591,835,133	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.98	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	56.44%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	22.61	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.57	Fail
Enterprising Investor; mus	st pass 4 out of the following 5 tests, or be s	uitable for the Defensive Investor.		

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.98 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

Score

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

	EPSmg		\$7.06
	MG Growth Estimate		-1.77%
	MG Value		\$35.05
	MG Value based on 3% Growth		\$102.34
	MG Value based on 0% Growth		\$59.99
	Market Implied Growth Rate		7.06%
MG Opinion			
	Current Price		\$159.60
	% of Intrinsic Value		455.41%
	Opinion	Overvalued	
	MG Grade	D	

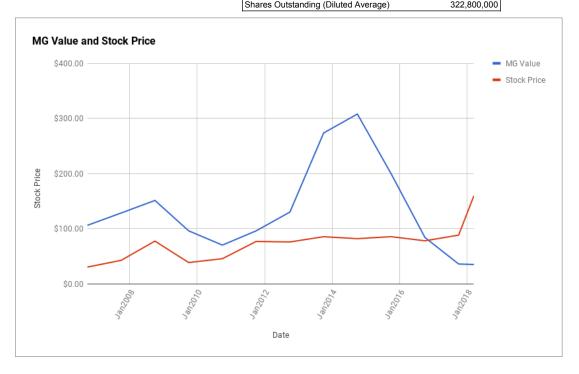
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$37.95
Graham Number	\$77.16
PEmg	22.61
Current Ratio	1.98
PB Ratio	5.57
Current Dividend	\$2.40
Dividend Yield	1.50%
Number of Consecutive Years of Dividend	
Growth	0

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$7.06
Oct2017	\$6.68	Oct2017	\$6.42
Oct2016	\$4.81	Oct2016	\$6.59
Oct2015	\$5.77	Oct2015	\$7.50
Oct2014	\$8.63	Oct2014	\$8.00
Oct2013	\$9.09	Oct2013	\$7.11
Oct2012	\$7.63	Oct2012	\$5.77
Oct2011	\$6.63	Oct2011	\$4.68
Oct2010	\$4.35	Oct2010	\$3.71
Oct2009	\$2.06	Oct2009	\$3.41
Oct2008	\$4.70	Oct2008	\$3.93
Oct2007	\$4.00	Oct2007	\$3.34
Oct2006	\$3.59	Oct2006	\$2.76
Oct2005	\$2.94	Oct2005	\$2.06
Oct2004	\$2.78	Oct2004	\$1.46
Oct2003	\$1.32	Oct2003	\$0.76
Oct2002	\$0.67	Oct2002	\$0.60
Oct2001	-\$0.14	Balance Sheet Information	1/1/2018
Oct2000	\$1.03	Total Current Assets	\$45,075,100,000
Oct1999	\$0.51	Total Current Liabilities	\$22,779,500,000
Oct1998	\$2.08	Long-Term Debt	\$26,421,800,000
		Total Assets	\$66,577,500,000
		Intangible Assets	\$4,771,300,000
		Total Liabilities	\$57,324,900,000
		Shares Outstanding (Diluted Average)	322,800,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author held a long position in DE at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

	Other	Deere & Company Valuation – January 2016 Update \$DE
	ModernGraham posts about the	10 Undervalued Companies for the Defensive Dividend Stock Investor – December 2015
	company	10 Low PE Stocks for the Defensive Investor – December 2015
		10 Most Undervalued Companies for the Defensive Investor – November 2015
		10 Undervalued Companies for the Defensive Dividend Stock Investor – November 2015
	Other	A.O. Smith Corp Valuation – March 2018 \$AOS
	ModernGraham posts about related	Parker-Hannifin Corp Valuation – March 2018 \$PH
	companies	Dover Corp Valuation – March 2018 \$DOV
	-	Ingersoll-Rand PLC Valuation – February 2018 \$IR
		Briggs & Stratton Corp Valuation – Initial Coverage \$BGG
		Albany International Corp Valuation – Initial Coverage \$AIN
		Terex Corporation Valuation – Initial Coverage \$TEX
		Donaldson Co Inc Valuation – Initial Coverage \$DCI
		Stanley Black & Decker Inc Valuation – April 2017 \$SWK
		Lindsay Corp Valuation – Initial Coverage \$LNN