# **ModernGraham Valuation**

## **Company Name:**

Company Ticker ADM Date of Analysis



### Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

5/2/2018

Archer Daniels

Midland Co

Defensive Investor; I	must pass 6 out of the following 7 tests.		
	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$24,830,711,166 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	Pass
		Increase of 33% in EPS in past 10	
	5. Earnings Growth	years using 3 year averages at beginning and end	-11.43% Fail
	6. Moderate PEmg Ratio	PEmg < 20	16.24 Pass
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.37 Pass
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Enterprising Investor	r; 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	0.90 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
		Score	
Suitability			
Guitability			
Gunabinty	Defensive	No	
Guildbinky	Defensive Enterprising	No Yes	
·	Enterprising		
·			
·	Enterprising		
·	Enterprising ermination of Intrinsic Value	Yes	
·	Enterprising ermination of Intrinsic Value EPSmg	Yes \$2.74	
·	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth	Yes \$2.74 0.38% <b>\$25.34</b> \$39.66	
·	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth	Yes \$2.74 0.38% \$25.34 \$39.66 \$23.25	
Stage 2: Dete	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth	Yes \$2.74 0.38% <b>\$25.34</b> \$39.66	
·	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth MG Value based on 0% Growth Market Implied Growth Rate	Yes \$2.74 0.38% \$25.34 \$39.66 \$23.25 3.87%	
Stage 2: Dete	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price	Yes \$2.74 0.38% \$25.34 \$39.66 \$23.25 3.87% \$44.43	
Stage 2: Dete	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value	Yes \$2.74 0.38% \$25.34 \$39.66 \$23.25 3.87% \$44.43 175.32%	
Stage 2: Dete	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion	Yes \$2.74 0.38% \$25.34 \$39.66 \$23.25 3.87% \$44.43 175.32% Overvalued	
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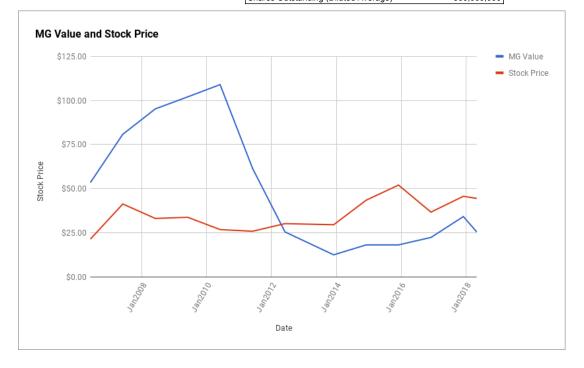
Net Current Asset Value (NCAV)	-\$3.05
Graham Number	\$45.51
PEmg	16.24
Current Ratio	1.59
PB Ratio	1.37
Current Dividend	\$1.28
Dividend Yield	2.88%
Number of Consecutive Years of Dividend	
Growth	20

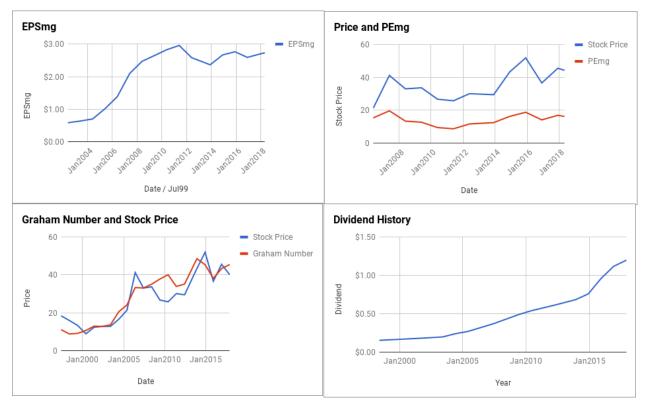
Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus

Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$2.80	Next Fiscal Year Estimate	\$2.74
Dec2017	\$2.79	Dec2017	\$2.69
Dec2016	\$2.16	Dec2016	\$2.59
Dec2015	\$2.98	Dec2015	\$2.77
Dec2014	\$3.43	Dec2014	\$2.67
Dec2013	\$2.02	Dec2013	\$2.36
Jun2012	\$1.84	Jun2012	\$2.58
Jun2011	\$3.13	Jun2011	\$2.96
Jun2010	\$3.00	Jun2010	\$2.83
Jun2009	\$2.62	Jun2009	\$2.6
Jun2008	\$2.79	Jun2008	\$2.4
Jun2007	\$3.30	Jun2007	\$2.10
Jun2006	\$2.00	Jun2006	\$1.39
Jun2005	\$1.59	Jun2005	\$1.0 <sup>-</sup>
Jun2004	\$0.76	Jun2004	\$0.70
Jun2003	\$0.70	Jun2003	\$0.64
Jun2002	\$0.78	Jun2002	\$0.58
Jun2001	\$0.55	Balance Sheet Information	12/1/2017
Jun2000	\$0.45	Total Current Assets	\$19,925,000,000
Jun1999	\$0.35	Total Current Liabilities	\$12,570,000,000
Jun1998	\$0.59	Long-Term Debt	\$6,623,000,000
		Total Assets	\$39,963,000,000
		Intangible Assets	\$3,918,000,000
		Total Liabilities	\$21,650,000,000
		Shares Outstanding (Diluted Average)	566,000,000





#### 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	Archer Daniels Midland Company Valuation – January 2017 \$ADM
ModernGraham posts about the company	Archer Daniels Midland Co – August 2016 \$ADM
	Archer-Daniels Midland Co Valuation – February 2016 \$ADM
	Archer Daniels Midland Valuation – November 2015 Update \$ADM
	Archer Daniels Midland Company Analysis – 2015 Update \$ADM
Other	Monster Beverage Corp Valuation – April 2018 \$MNST

 ModernGraham posts about related companies
 Campbell Soup Co Valuation – March 2018 \$CPB Kellogg Company Valuation – March 2018 \$K Hershey Co Valuation – March 2018 \$HSY

 PepsiCo Inc Valuation – March 2018 \$PEP

 The Coca-Cola Co Valuation – February 2018 \$KO Campbell Soup Company Valuation – September 2017 \$CPB Post Holdings Inc Valuation – Initial Coverage \$POST Dean Foods Co Valuation – Initial Coverage \$DF George Weston Limited Valuation – Initial Coverage \$TSE:WN