# **ModernGraham Valuation**

# **Company Name:**

Ingredion Inc

Company Ticker INGR Date of Analysis

7/18/2018



## 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	\$6,969,584,519 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.52 Pass
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	
5. Earnings Growth	beginning and end	161.41% Pass
Moderate PEmg Ratio	PEmg < 20	14.34 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.32 Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.52 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.09 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

Defensive Yes Enterprising Yes

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$6.73
MG Growth Estimate	5.70%
MG Value	\$133.94
MG Value based on 3% Growth	\$97.59
MG Value based on 0% Growth	\$57.21
Market Implied Growth Rate	2.92%

MG Opinion

**Current Price** \$96.48 % of Intrinsic Value 72.03% Opinion Undervalued

# Stage 3: Information for Further Research

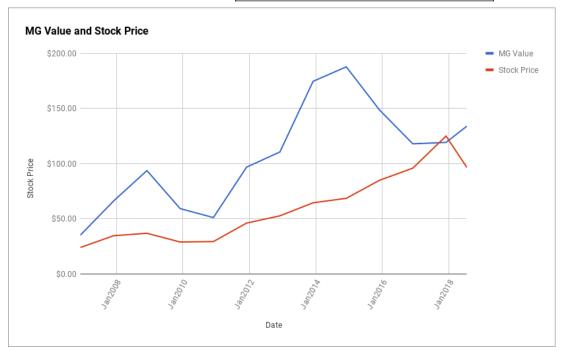
MG Grade

Net Current Asset Value (NCAV)	-\$8.41
Graham Number	\$82.10
PEmg	14.34
Current Ratio	2.52
PB Ratio	2.32
Current Dividend	\$2.20
Dividend Yield	2.28%
Number of Consecutive Years of Dividend	
Growth	7

**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	•	Next Fiscal Year Estimate	\$6.73
Dec2017	\$7.06	Dec2017	\$6.17
Dec2016	\$6.55	Dec2016	\$5.64
Dec2015	\$5.51	Dec2015	\$5.19
Dec2014	\$4.74	Dec2014	\$4.88
Dec2013	\$5.05	Dec2013	\$4.54
Dec2012	\$5.47	Dec2012	\$3.99
Dec2011	\$5.32	Dec2011	\$3.11
Dec2010	\$2.20	Dec2010	\$2.04
Dec2009	\$0.54	Dec2009	\$1.93
Dec2008	\$3.52	Dec2008	\$2.43
Dec2007	\$2.59	Dec2007	\$1.77
Dec2006	\$1.63	Dec2006	\$1.31
Dec2005	\$1.19	Dec2005	\$1.11
Dec2004	\$1.25	Dec2004	\$1.03
Dec2003	\$1.06	Dec2003	\$0.91
Dec2002	\$0.89	Dec2002	\$0.81
Dec2001	\$0.80	Balance Sheet Information	3/1/2018
Dec2000	\$0.68	Total Current Assets	\$2,292,000,000
Dec1999	\$0.99	Total Current Liabilities	\$909,000,000
Dec1998	\$0.60	Long-Term Debt	\$1,512,000,000
	<u> </u>	Total Assets	\$5,975,000,000
		Intangible Assets	\$1,295,000,000
		Total Liabilities	\$2,911,000,000
		Shares Outstanding (Diluted Average)	73,600,000





#### 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 9 Best Stocks for Value Investors This Week – 12/17/16 Ingredion Inc Valuation – Initial Coverage \$INGR

Other ModernGraham posts about related companies B&G Foods Inc Valuation – July 2018 \$BGS
Tyson Foods Inc Valuation – June 2018 \$TSN

Mondelez International Inc Valuation – June 2018 \$MDLZ

Hormel Foods Corp Valuation – June 2018 \$HRL J M Smucker Co Valuation – May 2018 \$SJM

Kraft Heinz Co Valuation - May 2018 \$KHC

<u>Dr Pepper Snapple Group Inc Valuation – May 2018 \$DPS</u>

Sysco Corp Valuation – May 2018 \$SYY

General Mills Inc Valuation – May 2018 \$GIS

Archer-Daniels Midland Co Valuation - May 2018 \$ADM