

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 beginning and end	161.41%	Pass
5. Earnings Growth			
6. 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.

1. 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
MG Grade	B+

Stage 3: Information for Further Research

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:

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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	\$7.46	Dec2017	\$6.17
Dec2016	\$7.06	Dec2016	\$5.64
Dec2015	\$6.55	Dec2015	\$5.19
Dec2014	\$5.51	Dec2014	\$4.88
Dec2013	\$4.74	Dec2013	\$4.54
Dec2012	\$5.05	Dec2012	\$3.99
Dec2011	\$5.47	Dec2011	\$3.11
Dec2010	\$5.32	Dec2010	\$2.04
Dec2009	\$2.20	Dec2009	\$1.93
Dec2008	\$0.54	Dec2008	\$2.43
Dec2007	\$3.52	Dec2007	\$1.77
Dec2006	\$2.59	Dec2006	\$1.31
Dec2005	\$1.63	Dec2005	\$1.11
Dec2004	\$1.19	Dec2004	\$1.03
Dec2003	\$1.25	Dec2003	\$0.91
Dec2002	\$1.06	Dec2002	\$0.81
Dec2001	\$0.89	Balance Sheet Information	
Dec2000	\$0.80	3/1/2018	
Dec1999	\$0.68	Total Current Assets	\$2,292,000,000
Dec1998	\$0.99	Total Current Liabilities	\$909,000,000
	\$0.60	Long-Term Debt	\$1,512,000,000
		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.

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