

ModernGraham Valuation

Company Name:

AGCO Corporation

Company Ticker AGCO

Date of Analysis

8/7/2018



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	\$5,205,484,047	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.42	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-23.04%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	23.12	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.71	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	1.42	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.51	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	\$2.77
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$40.11
MG Value based on 0% Growth	\$23.51
Market Implied Growth Rate	7.31%

MG Opinion

Current Price	\$63.96
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

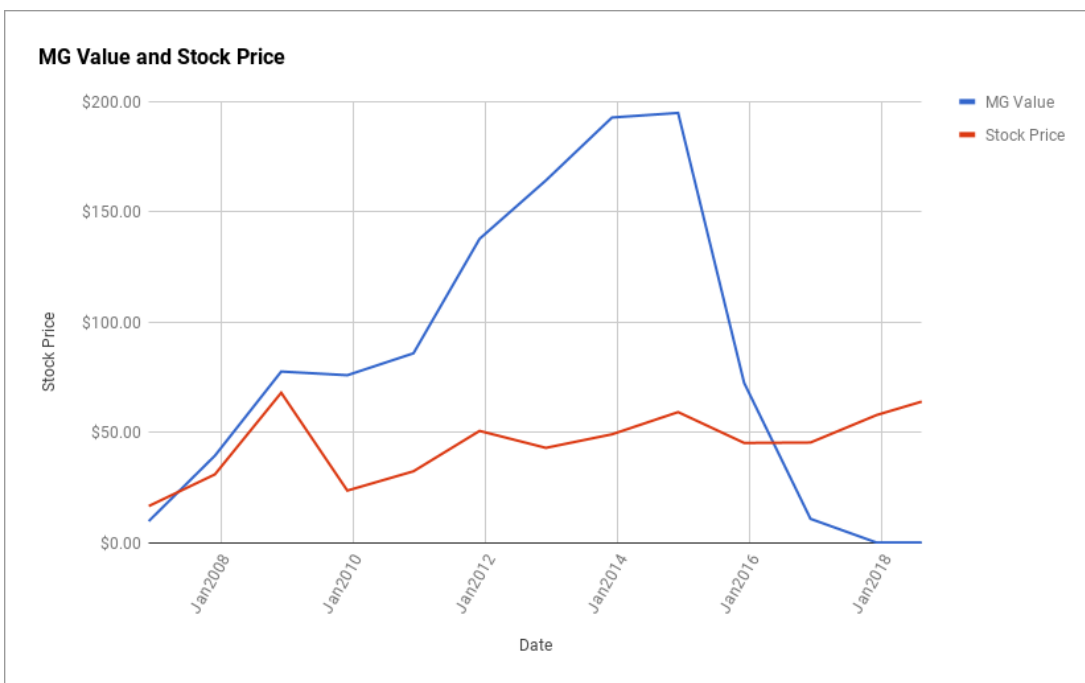
Net Current Asset Value (NCAV)	-\$14.74
Graham Number	\$52.12
PEmg	23.12
Current Ratio	1.42
PB Ratio	1.71
Current Dividend	\$0.56
Dividend Yield	0.88%
Number of Consecutive Years of Dividend Growth	5

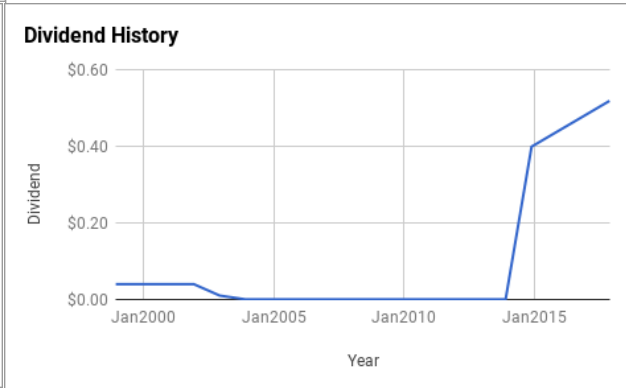
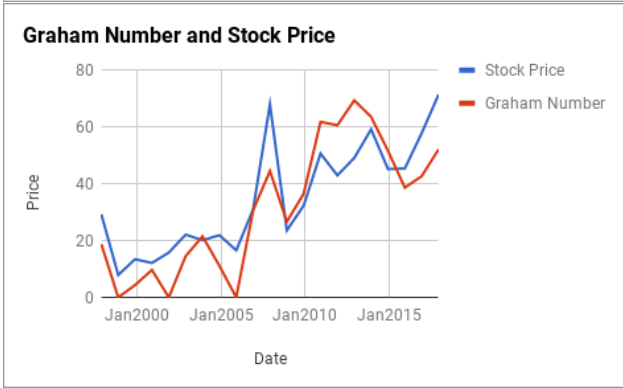
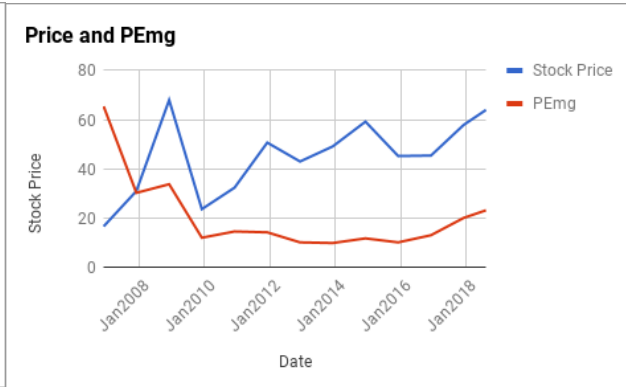
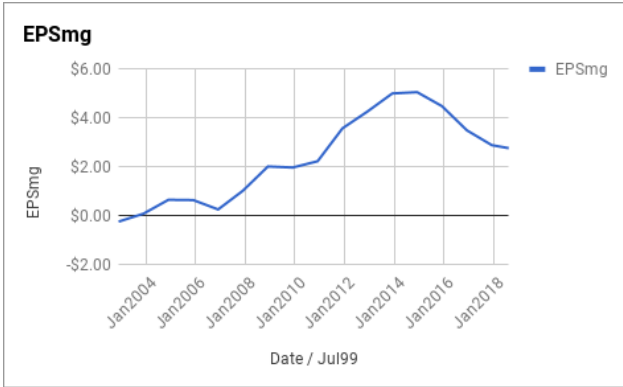
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.17	Next Fiscal Year Estimate	\$2.77
Dec2017	\$2.32	Dec2017	\$2.89
Dec2016	\$1.96	Dec2016	\$3.50
Dec2015	\$3.06	Dec2015	\$4.49
Dec2014	\$4.36	Dec2014	\$5.06
Dec2013	\$6.01	Dec2013	\$5.01
Dec2012	\$5.30	Dec2012	\$4.27
Dec2011	\$5.95	Dec2011	\$3.58
Dec2010	\$2.29	Dec2010	\$2.23
Dec2009	\$1.44	Dec2009	\$1.97
Dec2008	\$3.95	Dec2008	\$2.02
Dec2007	\$2.55	Dec2007	\$1.02
Dec2006	-\$0.71	Dec2006	\$0.25
Dec2005	\$0.35	Dec2005	\$0.64
Dec2004	\$1.71	Dec2004	\$0.65
Dec2003	\$0.98	Dec2003	\$0.08
Dec2002	-\$1.14	Dec2002	-\$0.25
Dec2001	\$0.31	Balance Sheet Information 6/1/2018	
Dec2000	\$0.06	Total Current Assets	\$3,843,900,000
Dec1999	-\$0.20	Total Current Liabilities	\$2,700,500,000
Dec1998	\$0.99	Long-Term Debt	\$1,728,000,000
		Total Assets	\$8,024,100,000
		Intangible Assets	\$2,111,800,000
		Total Liabilities	\$5,026,000,000
		Shares Outstanding (Diluted Average)	80,200,000





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**
- [AGCO Corporation Valuation – February 2017 \\$AGCO](#)
 - [AGCO Corporation Valuation – August 2016 \\$AGCO](#)
 - [15 Best Stocks For Value Investors This Week – 2/13/16](#)
 - [AGCO Corporation Valuation – February 2016 \\$AGCO](#)
 - [10 Low PE Stocks for the Enterprising Investor – January 2016](#)

- Other ModernGraham posts about related companies**
- [Stanley Black & Decker Inc Valuation – June 2018 \\$SWK](#)
 - [Pentair PLC Valuation – June 2018 \\$PNR](#)
 - [Snap-on Inc Valuation – May 2018 \\$SNA](#)
 - [Paccar Inc Valuation – May 2018 \\$PCAR](#)
 - [W.W. Grainger Inc Valuation – May 2018 \\$GWW](#)
 - [Allegion PLC Valuation – May 2018 \\$ALLE](#)
 - [Xylem Inc Valuation – May 2018 \\$XYL](#)
 - [Arconic Inc Valuation – April 2018 \\$ARNC](#)
 - [Rockwell Automation Inc Valuation – April 2018 \\$ROK](#)
 - [Roper Technologies Inc Valuation – April 2018 \\$ROP](#)