

ModernGraham Valuation

Archer Daniels
Midland Co



Company Name:

Company Ticker ADM

Date of Analysis

2/24/2019

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	\$23,798,182,550	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.75	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	15.81%	Fail
6. Moderate PEmg Ratio	PEmg < 20	14.26	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.27	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	1.75	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.87	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.98
MG Growth Estimate	1.15%
MG Value	\$32.19
MG Value based on 3% Growth	\$43.19
MG Value based on 0% Growth	\$25.32
Market Implied Growth Rate	2.88%

MG Opinion

Current Price	\$42.49
% of Intrinsic Value	132.00%
Opinion	Overvalued
MG Grade	A-

Stage 3: Information for Further Research

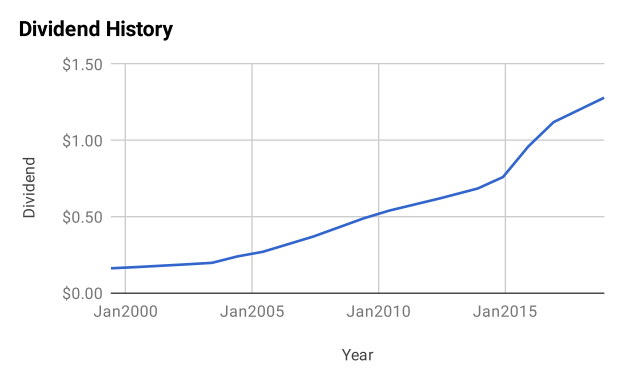
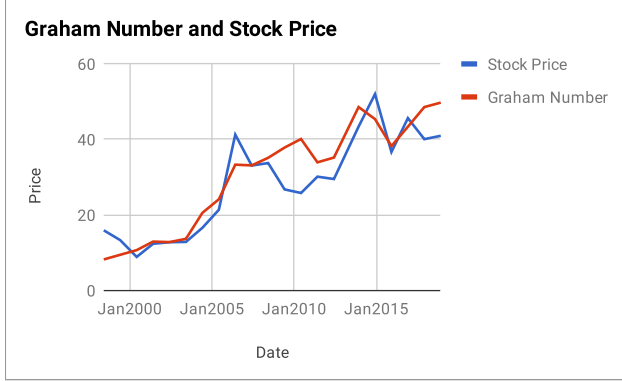
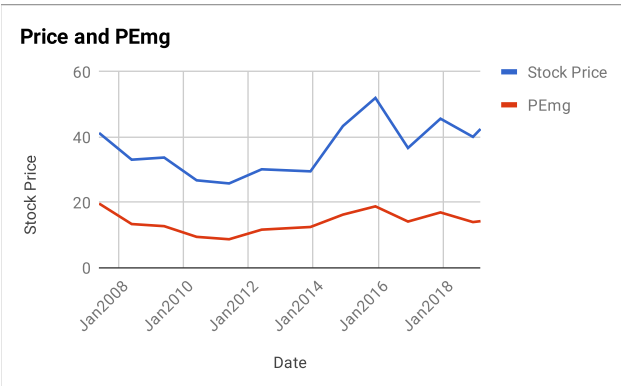
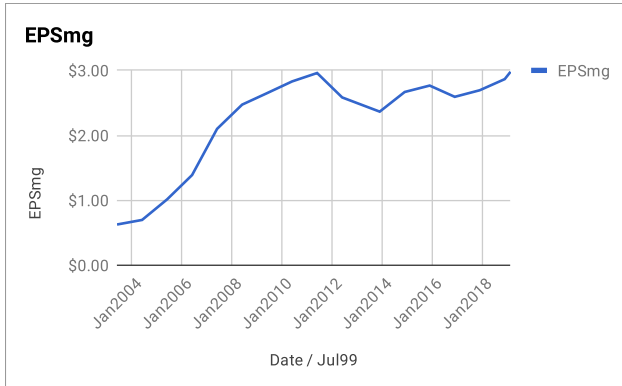
Net Current Asset Value (NCAV)	-\$2.20
Graham Number	\$49.76
PEmg	14.26
Current Ratio	1.75
PB Ratio	1.27
Current Dividend	\$1.34
Dividend Yield	3.15%
Number of Consecutive Years of Dividend Growth	20

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	\$3.25	Next Fiscal Year Estimate	\$2.98
Dec2018	\$3.19	Dec2018	\$2.87
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	\$2.65
Jun2008	\$2.79	Jun2008	\$2.47
Jun2007	\$3.30	Jun2007	\$2.10
Jun2006	\$2.00	Jun2006	\$1.39
Jun2005	\$1.59	Jun2005	\$1.01
Jun2004	\$0.76	Jun2004	\$0.70
Jun2003	\$0.70	Jun2003	\$0.63
Jun2002	\$0.78	Balance Sheet Information 12/1/2018	
Jun2001	\$0.55	Total Current Assets	\$20,588,000,000
Jun2000	\$0.41	Total Current Liabilities	\$11,776,000,000
Jun1999	\$0.30	Long-Term Debt	\$7,698,000,000
		Total Assets	\$40,833,000,000
		Intangible Assets	\$4,041,000,000
		Total Liabilities	\$21,837,000,000
		Shares Outstanding (Diluted Average)	567,000,000





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 ModernGraham posts about the company**
- [Archer-Daniels Midland Co Valuation – May 2018 \\$ADM](#)
 - [Archer Daniels Midland Company Valuation – January 2017 \\$ADM](#)
 - [Archer Daniels Midland Co – August 2016 \\$ADM](#)
 - [Archer-Daniels Midland Co Valuation – February 2016 \\$ADM](#)
 - [Archer Daniels Midland Valuation – November 2015 Update \\$ADM](#)

- Other ModernGraham posts about related companies**
- [Monster Beverage Corp Valuation – February 2019 \\$MNST](#)
 - [Campbell Soup Co Valuation – January 2019 \\$CPB](#)
 - [Kellogg Co Valuation – January 2019 \\$K](#)
 - [PepsiCo Inc Valuation – January 2019 \\$PEP](#)
 - [The Hershey Co Valuation – January 2019 \\$HSY](#)
 - [Coca-Cola Co Valuation – November 2018 \\$KO](#)
 - [Calavo Growers Inc Valuation – October 2018 \\$CVGW](#)
 - [Lancaster Colony Corp Valuation – August 2018 \\$LANC](#)
 - [SpartanNash Co Valuation – August 2018 \\$SPTN](#)
 - [Core-Mark Holding Co Inc Valuation – August 2018 \\$CORE](#)