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Monsanto Co. Reports 1936 Net Profit $4,605,593

Chemical Firm's Showing Compares With $4,009,873 Earned in Preceding Year

Current Assets $16,144,675

Monsanto Chemical Co. last year was engaged in expanding and diversifying its activities and consolidating ground gained in the preceding year of growth. Sales during 1936 rose to $28,848,000, a gain of 16.8% over the $24,705,000 sales in 1935. Gain in profits, however, was not as large as generally accompanies such a gain in gross.

Net profit in 1936 was $4,605,593 equal after subsidiary preferred dividends to $4.01 a share on 1,114,409 shares of common stock against $4,009,873 or $3.84 a share on 999,123 shares in 1935.

In his statement to stockholders, E. M. Queeny, president, states: "Our gross profit was $1,023,197 over the previous year but had the same wage rates, raw material costs, and selling prices been maintained in 1936 as in 1935, an additional gross profit of over $1,300,000 would have been realized."

He also points out that earnings of the New England Alcohol Co., a subsidiary, suffered from a sharp break in selling prices during the year.

Discussing the increasing diversity of the business, Mr. Queeny states that whereas at the end of 1929 no individual product contributed more than 10% of total sales, in 1936 no product contributed more than 5%.

Monsanto's largest consumer is the foodstuffs industry where its products are used in flour bleaching, sweetening and flavoring beverages, flavoring candy, and in self raising flour, baking powder and in butter, cheese, milk and canned food production. This industry accounts for 15% of Monsanto's sales, using 39 products.

ST. LOUIS—Report of Monsanto Chemical Co and subsidiaries for year ended December 31, 1936, certified by independent auditors, shows net profit of $4,605,593 after depreciation, obsolescence, federal income taxes, provision of $74,577 for federal surtax on undistributed profits and other deductions but before subsidiary preferred dividends and minority interest, comparing with $4,009,873 in 1935.

After deducting $136,889 for subsidiary preferred dividends and minority interest, there was a balance available for the stock of Monsanto Chemical Co. in year 1936, of $4,468,704, equivalent to $4.01 a share (par $10) on 1,114,409 shares of common stock outstanding at close of year, excluding treasury shares.

Balance available for stock of Monsanto Chemical Co. in preceding year was $3,843,391, equal to $3.84 a share on 999,123 shares outstanding at end of that year.

Consolidated balance sheet as of December 31, 1936, shows current assets, including $7,308,302 cash and marketable securities, amounted to $16,144,675, while current liabilities were $3,743,137. Report of preceding year showed cash of $3,685,082, current assets of $11,644,277 and current liabilities of $2,612,992. Inventories were $5,876,558 against $5,165,089.

Consolidated income account for year ended December 31, 1936, compares as follows:

	1936	1935	1934
Net sales	$28,848,438	$24,705,574	$17,543,760
Cost of goods sold	18,120,220	15,285,182	11,493,698
Gross profit	$10,728,218	$9,420,392	$6,050,052
Sell & adm exp	2,939,185	2,930,187	1,798,660
Depr & obsol	1,561,619	1,280,553	898,612
Research exp	880,078	665,399	456,356
Oper profit	$5,347,336	$4,544,258	$2,896,424
Other income	448,208	421,495	371,742
Total income	$5,795,544	$4,965,748	$3,268,166
Income charges	161,222	311,048	147,882
Fed income tax prov	954,162	644,827	482,244
Fed surtax undist earns	74,577	.....	.....
Net profit	$4,605,593	$4,009,873	$2,638,040
Sub pfd divs & min int	136,889	166,482	18,575
Bal for M. C. C.	$4,468,704	$3,843,391	$2,619,465
Dividends M. C. C.	3,234,826	1,445,007	999,000
Surplus	$1,233,878	$2,398,384	$1,620,465

Consolidated balance sheet of Monsanto Chemical Co. and subsidiaries, as of December 31, 1936, compares as follows:

Assets	1936	1935	1934
Plant and property	$27,717,363	$23,046,237	$15,646,473
Patents & processes	1	1	2
Cash	4,891,067	3,685,082	3,538,660
Marketable securities	2,417,235	.....	.....
Notes&accts rec, aft res	2,959,815	2,794,106	1,697,459
Inventories	5,876,558	5,165,088	4,110,023
*Due from off & emp	213,532	128,062	82,012
Miscell invest, dep, etc	664,942	877,897	1,631,458
Deferred charges	306,707	143,192	197,803
Total	$44,947,240	$35,839,665	$26,903,890
Liabilities			
Pref shrs of Brit. sub	$1,940,000	$1,940,000	$1,940,000
Min int in Amer sub	345,982	342,085	.....
Com stk MCC, par $10	11,144,090	9,991,230	8,640,000
Funded debt	.....	.....	954,500
Accts pay & accruals	2,572,575	1,798,833	1,403,962
Estimated income taxes	1,170,562	814,159	616,388
Res for depr & obsol	8,998,099	7,785,574	5,312,808
Res for containers	575,046	548,678	523,879
Res for contng, etc	572,586	1,161,687	497,942
Paid-in surplus	6,345,293	3,388,292	1,152,293
Earned surplus	9,283,005	8,049,127	5,862,218
Total	$44,947,240	$35,839,665	$26,903,890

NOTE—Assets and liabilities of British subsidiary converted at $4.85 per pound.
*On purchases of capital stock, etc.

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