

ModernGraham Valuation

Company Name:

Company Ticker BTU

Date of Analysis

9/25/2015

Peabody Energy Corporation



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	\$367,400,441	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.11	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-262.95%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-0.41	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.22	Fail

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	1.11	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	37.95	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$3.25
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$47.11
MG Value based on 0% Growth	-\$27.61
Market Implied Growth Rate	-4.45%

MG Opinion

Current Price	\$1.33
% of Intrinsic Value	N/A
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$31.27
Graham Number	#NUM!
PEmg	-0.41
Current Ratio	1.11
PB Ratio	0.22
Dividend Yield	13.23%
Number of Consecutive Years of Dividend Growth	0

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	-\$6.04	Next Fiscal Year Estimate	-\$3.25
Dec14	-\$2.94	Dec14	-\$1.28
Dec13	-\$1.97	Dec13	-\$0.05
Dec12	-\$2.19	Dec12	\$1.23
Dec11	\$3.52	Dec11	\$2.80
Dec10	\$2.85	Dec10	\$2.37
Dec09	\$1.66	Dec09	\$2.09
Dec08	\$3.51	Dec08	\$2.13
Dec07	\$0.98	Dec07	\$1.34
Dec06	\$2.23	Dec06	\$1.35
Dec05	\$1.58	Dec05	\$0.84
Dec04	\$0.69	Dec04	\$0.44
Dec03	\$0.14	Dec03	\$0.29
Dec02	\$0.49	Dec02	\$0.31
Mar01	\$0.55	Mar01	\$0.18
Mar00	\$0.00	Mar00	\$0.00
Mar99	\$0.00	Mar99	\$0.00
Mar98	\$0.00	Balance Sheet Information Jun15	
Mar97	\$0.00	Total Current Assets	\$1,694,000,000
Mar96	\$0.00	Total Current Liabilities	\$1,528,400,000
Mar95	\$0.00	Long-Term Debt	\$6,284,800,000
		Total Assets	\$11,861,400,000
		Intangible Assets	\$0
		Total Liabilities	\$10,207,600,000
		Shares Outstanding (Diluted Average)	272,300,000





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:

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ModernGraham
posts about the
company

[17 Companies in the Spotlight This Week – 9/27/2014](#)
[Peabody Energy Corporation Annual Stock Valuation – 2014 \\$BTU](#)

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posts about related
companies

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[Alliance Resource Partners LP Analysis – Initial Coverage \\$ARLP](#)
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[Silver Wheaton Corporation Valuation – Initial Coverage \\$SLW](#)
[Newmont Mining Corporation Annual Valuation – 2015 \\$NEM](#)
[Alcoa Inc. Annual Valuation – 2015 \\$AA](#)
[Consol Energy Inc. Annual Valuation – 2014 \\$CNX](#)
[Peabody Energy Corporation Annual Stock Valuation – 2014 \\$BTU](#)
[FreePort-McMoRan Inc. Annual Stock Valuation – September 2014 \\$FCX](#)
[Freeport-McMoRan Copper & Gold Quarterly Valuation – June 2014 \\$FCX](#)