ModernGraham Valuation

Company Name:

Company Ticker ALB Date of Analysis

Albemarle Corporation



11/11/2015

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.

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	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$5,488,738,206 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.30 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	48.48% Pass
	6. Moderate PEmg Ratio	PEmg < 20	16.74 Pass
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.75 Pass
Enterprising Investor;	must pass 4 out of the following 5 tests, or b	e suitable for the Defensive Investor.	
	1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.30 Fail
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.93 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
Suitability			
	Defensive	Yes	
	Enterprising	Yes	

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.91
MG Growth Estimate	-1.20%
MG Value	\$17.76
MG Value based on 3% Growth	\$42.22
MG Value based on 0% Growth	\$24.75
Market Implied Growth Rate	4.12%

MG Opinion

Useful

Overvalued	
	Overvalued

Stage 3: Information for Further Research

Yahoo Finance

GuruFocus

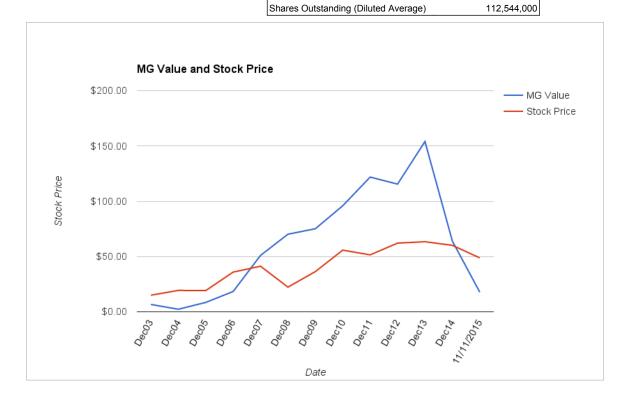
	Net Current Asset Value (NCAV)		-\$42.74
	Graham Number		\$37.25
	PEmg		16.74
	Current Ratio		1.30
	PB Ratio		1.75
	Dividend Yield		2.35%
	Number of Consecutive Years of Divid Growth	end	20
I Links:	ModernGraham tagged articles	Morningstar	
	Google Finance	MSN Money	

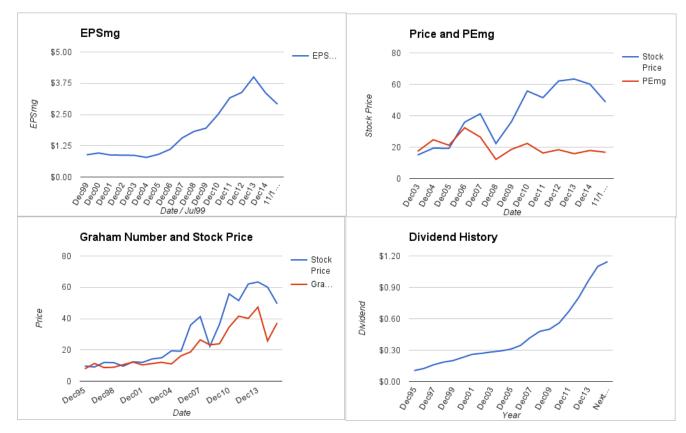
Seeking Alpha

SEC Filings

\$48.76 274.55%

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.20	Next Fiscal Year Estimate	\$2.91
Dec14	\$1.69	Dec14	\$3.36
Dec13	\$4.90	Dec13	\$4.00
Dec12	\$3.47	Dec12	\$3.38
Dec11	\$4.28	Dec11	\$3.17
Dec10	\$3.43	Dec10	\$2.49
Dec09	\$1.94	Dec09	\$1.95
Dec08	\$2.09	Dec08	\$1.82
Dec07	\$2.36	Dec07	\$1.56
Dec06	\$1.47	Dec06	\$1.11
Dec05	\$1.20	Dec05	\$0.90
Dec04	\$0.65	Dec04	\$0.78
Dec03	\$0.86	Dec03	\$0.87
Dec02	\$0.85	Dec02	\$0.87
Dec01	\$0.74	Dec01	\$0.88
Dec00	\$1.09	Dec00	\$0.96
Dec99	\$0.94	Dec99	\$0.89
Dec98	\$0.82	Balance Sheet Information	Sep15
Dec97	\$0.72	Total Current Assets	\$1,720,915,000
Dec96	\$1.33	Total Current Liabilities	\$1,322,548,000
Dec95	\$0.59	Long-Term Debt	\$3,558,964,000
		Total Assets	\$9,675,064,000
		Intangible Assets	\$4,708,079,000
		Total Liabilities	\$6,530,575,000
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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 Albemarle Corporation Analysis – Initial Coverage \$ALB

 Other ModernGraham posts about related
 Dow Chemical Company Analysis – October 2015 Update \$DOW

 Sigma-Aldrich Corporation Analysis – September 2015 Update \$SIAL FMC Corporation Analysis – September 2015 Update \$FMC

 Eastman Chemical Company Analysis – September 2015 Update \$EMN Ashland Inc. Analysis – Initial Coverage \$ASH The Best Companies of the Chemicals Industry – August 2015 LyondellBasell Industries Analysis – August 2015 Update \$LYB Albemarle Corporation Analysis – Initial Coverage \$ALB E I Du Pont de Nemours & Company Analysis – August 2015 Update \$DD Dow Chemical Analysis – July 2015 Update \$DOW