

ModernGraham Valuation

Company Name:

Joy Global Inc.

Company Ticker

JOY

Date of Analysis

11/4/2015



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.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$1,764,290,351	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.32	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	3.75%	Fail
5. Earnings Growth	PEmg < 20	4.92	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.65	Pass
7. Moderate Price to Assets			

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	2.32	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.95	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		Fail

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.68
MG Growth Estimate	-2.98%
MG Value	\$9.35
MG Value based on 3% Growth	\$53.33
MG Value based on 0% Growth	\$31.26
Market Implied Growth Rate	-1.79%

MG Opinion

Current Price	\$18.10
% of Intrinsic Value	193.54%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.61
Graham Number	\$29.99
PEmg	4.92
Current Ratio	2.32
PB Ratio	0.65
Dividend Yield	4.42%
Number of Consecutive Years of Dividend Growth	2

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	\$1.42	Next Fiscal Year Estimate	\$3.68
Oct14	\$3.28	Oct14	\$4.91
Oct13	\$4.99	Oct13	\$5.59
Oct12	\$7.13	Oct12	\$5.60
Oct11	\$5.72	Oct11	\$4.59
Oct10	\$4.40	Oct10	\$3.89
Oct09	\$4.41	Oct09	\$3.42
Oct08	\$3.45	Oct08	\$2.69
Oct07	\$2.51	Oct07	\$2.05
Oct06	\$3.38	Oct06	\$1.54
Oct05	\$1.20	Oct05	\$1.34
Oct04	\$0.46	Oct04	\$1.78
Oct03	\$0.16	Oct03	\$1.37
Oct02	-\$0.25	Oct02	\$1.03
Oct01	\$12.27	Oct01	\$0.93
Oct00	\$0.00	Oct00	-\$4.09
Oct99	-\$16.12	Oct99	-\$5.02
Oct98	-\$0.18	Balance Sheet Information Jul15	
Oct97	\$1.30	Total Current Assets	\$2,331,997,000
Oct96	\$1.08	Total Current Liabilities	\$1,006,456,000
Oct95	\$0.00	Long-Term Debt	\$1,256,032,000
		Total Assets	\$5,332,129,000
		Intangible Assets	\$1,886,646,000
		Total Liabilities	\$2,587,862,000
		Shares Outstanding (Diluted Average)	98,033,000





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

[Joy Global Inc. Analysis – August 2015 Update \\$JOY](#)
[47 Companies in the Spotlight This Week – 5/16/15](#)
[Joy Global Inc. Quarterly Valuation – May 2015 \\$JOY](#)
[5 Undervalued Companies for Value Investors with a High Beta – May 2015](#)
[5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – April 2015](#)

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[My Personal Holdings: Deere & Company – October 2015 Update \\$DE](#)
[Allegion PLC Analysis – September 2015 Update \\$ALLE](#)
[Parker Hannifin Corporation Analysis – September 2015 Update \\$PH](#)
[Roper Technologies Inc. Analysis – September 2015 Update \\$ROP](#)
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[Xylem Inc. Analysis – August 2015 Update \\$XYL](#)
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