

# ModernGraham Valuation

## Company Name:

Company Ticker ALB

Date of Analysis

2/19/2016

Albemarle  
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	\$6,316,704,576	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	48.31%	Pass
6. Moderate PEmg Ratio	PEmg < 20	18.73	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.95	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	1.30	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

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.91
MG Growth Estimate	-1.22%
<b>MG Value</b>	<b>\$17.65</b>
MG Value based on 3% Growth	\$42.18
MG Value based on 0% Growth	\$24.72
Market Implied Growth Rate	5.12%

### MG Opinion

Current Price	\$54.48
% of Intrinsic Value	308.70%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$42.74
Graham Number	\$37.16
PEmg	18.73
Current Ratio	1.30
PB Ratio	1.95
Dividend Yield	2.10%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.19	Next Fiscal Year Estimate	\$2.91
Dec2014	\$1.69	Dec2014	\$3.36
Dec2013	\$4.90	Dec2013	\$4.00
Dec2012	\$3.47	Dec2012	\$3.38
Dec2011	\$4.28	Dec2011	\$3.17
Dec2010	\$3.43	Dec2010	\$2.49
Dec2009	\$1.94	Dec2009	\$1.95
Dec2008	\$2.09	Dec2008	\$1.82
Dec2007	\$2.36	Dec2007	\$1.56
Dec2006	\$1.47	Dec2006	\$1.11
Dec2005	\$1.20	Dec2005	\$0.90
Dec2004	\$0.65	Dec2004	\$0.78
Dec2003	\$0.86	Dec2003	\$0.87
Dec2002	\$0.85	Dec2002	\$0.87
Dec2001	\$0.74	Dec2001	\$0.88
Dec2000	\$1.09	Dec2000	\$0.96
Dec1999	\$0.94	Dec1999	\$0.85
Dec1998	\$0.82	<b>Balance Sheet Information</b>	<b>Sep2015</b>
Dec1997	\$0.72	Total Current Assets	\$1,720,915,000
Dec1996	\$1.33	Total Current Liabilities	\$1,322,548,000
Dec1995	\$0.00	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
		Shares Outstanding (Diluted Average)	112,544,000





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

[Albemarle Corporation Valuation – November 2015 Update \\$ALB](#)

[Albemarle Corporation Analysis – Initial Coverage \\$ALB](#)

Other  
ModernGraham  
posts about related  
companies

[Airgas Inc Stock Valuation – February 2016 \\$ARG](#)

[Air Products & Chemicals Inc Valuation – February 2016 \\$APD](#)

[FMC Corporation Valuation – January 2016 Update \\$FMC](#)

[Eastman Chemical Co Valuation – January 2016 \\$EMN](#)

[Ashland Inc Valuation – January 2016 Update \\$ASH](#)

[LyondellBasell Industries Valuation – November 2015 Update \\$LYB](#)

[Albemarle Corporation Valuation – November 2015 Update \\$ALB](#)

[Dow Chemical Company Analysis – October 2015 Update \\$DOW](#)

[Sigma-Aldrich Corporation Analysis – September 2015 Update \\$SIAL](#)

[FMC Corporation Analysis – September 2015 Update \\$FMC](#)