

ModernGraham Valuation

Company Name:

Joy Global Inc.

Company Ticker JOY

Date of Analysis

2/4/2016



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	\$1,016,589,444	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.27	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-181.68%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-8.67	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.79	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	2.27	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.92	Pass
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	-\$1.32
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$19.20
MG Value based on 0% Growth	-\$11.25
Market Implied Growth Rate	-8.59%

MG Opinion

Current Price	\$11.48
% of Intrinsic Value	N/A
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.29
Graham Number	\$9.23
PEmg	-8.67
Current Ratio	2.27
PB Ratio	0.79
Dividend Yield	6.97%
Number of Consecutive Years of Dividend Growth	3

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	\$0.26	Next Fiscal Year Estimate	-\$1.32
Oct2015	-\$12.08	Oct2015	-\$0.80
Oct2014	\$3.35	Oct2014	\$4.93
Oct2013	\$4.99	Oct2013	\$5.59
Oct2012	\$7.13	Oct2012	\$5.60
Oct2011	\$5.72	Oct2011	\$4.59
Oct2010	\$4.40	Oct2010	\$3.89
Oct2009	\$4.41	Oct2009	\$3.42
Oct2008	\$3.45	Oct2008	\$2.69
Oct2007	\$2.51	Oct2007	\$2.05
Oct2006	\$3.38	Oct2006	\$1.54
Oct2005	\$1.20	Oct2005	\$1.34
Oct2004	\$0.46	Oct2004	\$1.78
Oct2003	\$0.16	Oct2003	\$1.37
Oct2002	-\$0.25	Oct2002	\$1.03
Oct2001	\$12.27	Oct2001	\$0.93
Oct2000	\$0.00	Oct2000	-\$4.09
Oct1999	-\$16.12	Balance Sheet Information Oct2015	
Oct1998	-\$0.18	Total Current Assets	\$2,068,442,000
Oct1997	\$1.30	Total Current Liabilities	\$910,920,000
Oct1996	\$1.08	Long-Term Debt	\$1,060,643,000
		Total Assets	\$3,712,446,000
		Intangible Assets	\$610,331,000
		Total Liabilities	\$2,292,437,000
		Shares Outstanding (Diluted Average)	97,949,000





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.

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company

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[Joy Global Inc. Quarterly Valuation – May 2015 \\$JOY](#)
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[Stanley Black & Decker Inc Valuation – January 2016 Update \\$SWK](#)
[Paccar Inc Valuation – January 2016 Update \\$PCAR](#)
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