

# ModernGraham Valuation



## Company Name:

Albemarle Corporation

Company Ticker ALB

Date of Analysis

8/25/2016

## 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	\$9,086,944,730	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.32	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	-16.43%	Fail
6. Moderate PEmg Ratio	PEmg < 20	36.97	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.97	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	1.32	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.19	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>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.24
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$32.47
MG Value based on 0% Growth	\$19.03
Market Implied Growth Rate	14.24%

### MG Opinion

Current Price	\$82.79
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

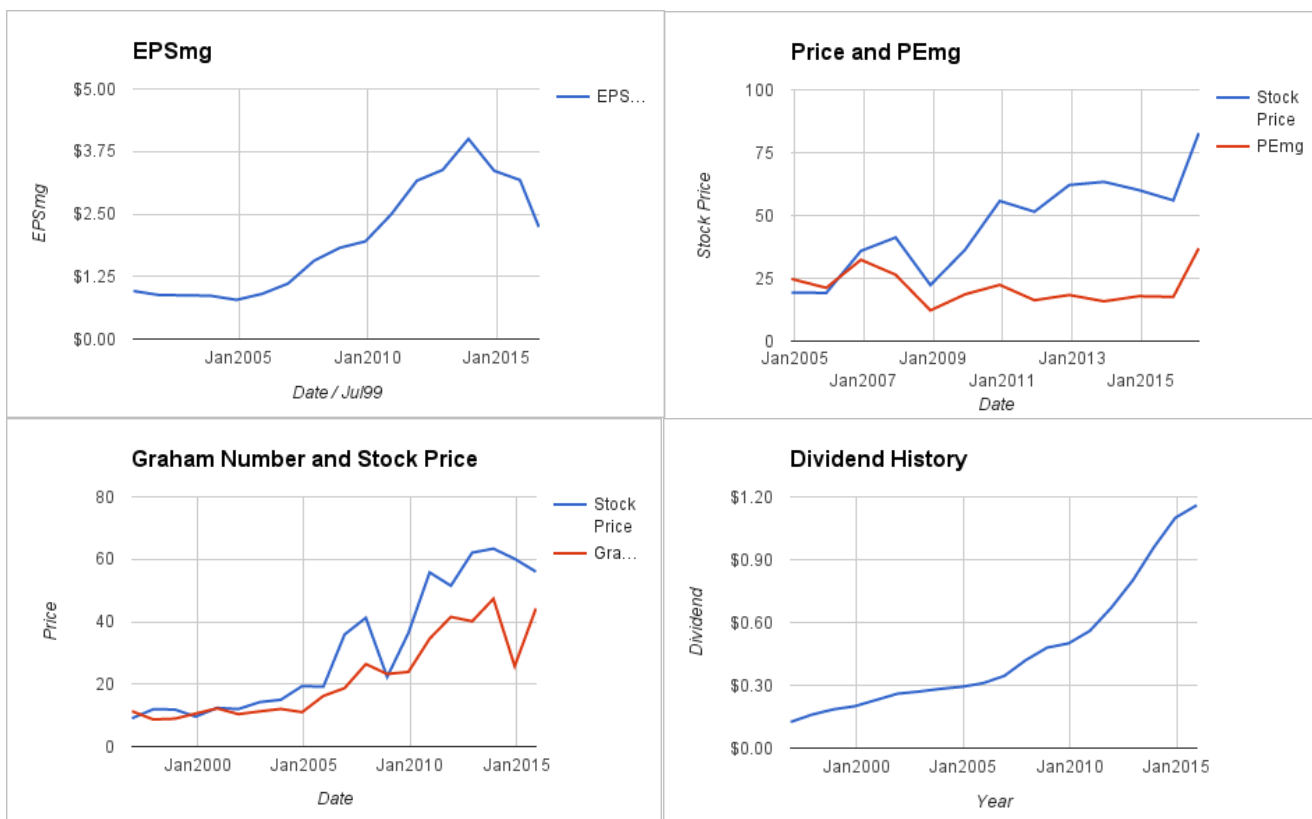
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$40.89
Graham Number	\$20.27
PEmg	36.97
Current Ratio	1.32
PB Ratio	2.97
Current Dividend	\$1.19
Dividend Yield	1.44%
Number of Consecutive Years of Dividend Growth	20

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[Google Finance](#) [MSN Money](#)  
[Yahoo Finance](#) [Seeking Alpha](#)  
[GuruFocus](#) [SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.65	Next Fiscal Year Estimate	\$2.24
Dec2015	\$3.00	Dec2015	\$3.18
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	<b>Balance Sheet Information</b>	
Dec1998	\$0.82	<b>6/1/2016</b>	
Dec1997	\$0.72	Total Current Assets	\$1,527,760,000
Dec1996	\$1.33	Total Current Liabilities	\$1,159,058,000
		Long-Term Debt	\$3,019,478,000
		Total Assets	\$9,312,381,000
		Intangible Assets	\$1,853,537,000
		Total Liabilities	\$6,155,766,000
		Shares Outstanding (Diluted Average)	113,175,000





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 Corp Valuation – February 2016 \\$ALB](#)
- [Albemarle Corporation Valuation – November 2015 Update \\$ALB](#)
- [Albemarle Corp Valuation – February 2016 \\$ALB](#)
- [Albemarle Corporation Valuation – November 2015 Update \\$ALB](#)
- [Albemarle Corporation Analysis – Initial Coverage \\$ALB](#)

Other ModernGraham posts about related companies

- [Air Products & Chemicals Inc Valuation – August 2016 \\$APD](#)
- [Ashland Inc Valuation – July 2016 \\$ASH](#)
- [FMC Corporation Valuation – July 2016 \\$FMC](#)
- [Eastman Chemical Company Valuation – July 2016 \\$EMN](#)
- [Dow Chemical Co Valuation – July 2016 \\$DOW](#)
- [Olin Corporation Valuation – June 2016 \\$OLN](#)
- [LyondellBasell Industries Valuation – June 2016 \\$LYB](#)
- [Praxair Inc Valuation – June 2016 \\$PX](#)
- [Albemarle Corp Valuation – February 2016 \\$ALB](#)
- [Airgas Inc Stock Valuation – February 2016 \\$ARG](#)