# **ModernGraham Valuation**

## **Company Name:**

Alexander & Baldwin Inc



Company Ticker Date of Analysis

12/19/2016

### 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.

ALEX

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$2,164,146,772 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.80 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	92.59% Pass

71.60 Fail 6. Moderate PEmg Ratio PEmg < 20 7. Moderate Price to Assets PB Ratio < 2.5 OR PB\*PEmg < 50 1.80 Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.80 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-14.20 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

MG Opinion

Defensive No Enterprising No

### Stage 2: Determination of Intrinsic Value

EPSmg	\$0.62
MG Growth Estimate	0.71%
MG Value	\$6.16
MG Value based on 3% Growth	\$9.01
MG Value based on 0% Growth	\$5.28
Market Implied Growth Rate	31.55%

Current Price \$44.49 % of Intrinsic Value 722.13%

Opinion Overvalued MG Grade

### Stage 3: Information for Further Research

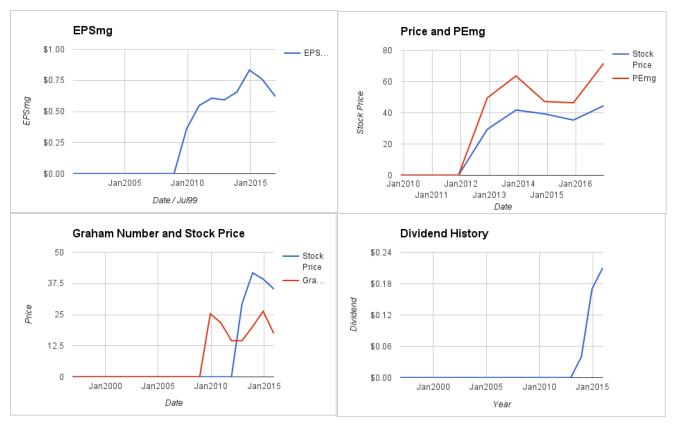
Net Current Asset Value (NCAV)	-\$17.72
Graham Number	\$12.70
PEmg	71.60
Current Ratio	0.80
PB Ratio	1.80
Current Dividend	\$0.24
Dividend Yield	0.54%
Number of Consecutive Years of Dividend	
Growth	4

**Useful Links:** ModernGraham tagged articles

Morningstar MSN Money **Google Finance** Yahoo Finance Seeking Alpha **SEC Filings GuruFocus** 

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	• • • • • • • • • • • • • • • • • • • •	Next Fiscal Year Estimate	\$0.62
Dec2015	\$0.54	Dec2015	\$0.76
Dec2014	\$1.25	Dec2014	\$0.83
Dec2013	\$0.76	Dec2013	\$0.66
Dec2012	\$0.44	Dec2012	\$0.59
Dec2011	\$0.55	Dec2011	\$0.61
Dec2010	\$0.78	Dec2010	\$0.55
Dec2009	\$1.08	Dec2009	\$0.36
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information	9/1/2016
Dec1998	\$0.00	Total Current Assets	\$144,600,000
Dec1997	\$0.00	Total Current Liabilities	\$181,500,000
Dec1996	\$0.00	Long-Term Debt	\$523,900,000
		Total Assets	\$2,224,200,000
		Intangible Assets	\$158,100,000
		Total Liabilities	\$1,013,100,000
		Shares Outstanding (Diluted Average)	49,000,000





#### 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:**

ModernGraham posts about the company

5 Speculative and Overvalued Companies to Avoid – August 2015 Alexander & Baldwin Inc Analysis – Initial Coverage \$ALEX

Other ModernGraham posts about related companies Quanta Services Inc Valuation - August 2016 \$PWR

<u>Jacobs Engineering Group Inc Valuation – August 2016 \$JEC</u>

PPG Industries Inc Valuation – August 2016 \$PPG

D.R. Horton Inc Valuation – August 2016 \$DHI

Martin Marietta Materials Inc Valuation - August 2016 \$MLM

Fluor Corporation Valuation – August 2016 \$FLR

Vulcan Materials Co Valuation - July 2016 \$VMC

PulteGroup Inc Valuation – July 2016 \$PHM

Sherwin-Williams Co Valuation - July 2016 \$SHW

Cummins Inc Valuation – July 2016 \$CMI