

ModernGraham Valuation

Company Name:

Company Ticker ALEX

Date of Analysis

12/19/2016

Alexander & Baldwin
Inc



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	\$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
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	92.59%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	71.60	Fail
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.

1. 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
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

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%

MG Opinion

Current Price	\$44.49
% of Intrinsic Value	722.13%
Opinion	Overvalued
MG Grade	F

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
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$0.29		\$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:

Other
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](#)
[Jacobs Engineering Group Inc Valuation – August 2016 \\$JEC](#)
[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](#)