

ModernGraham Valuation

Company Name:

Company Ticker KALU

Date of Analysis

Kaiser Aluminum Corp.

2/3/2017



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	\$1,432,692,201	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.13	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	-207.95%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-206.42	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.78	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	4.13	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.74	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.39
MG Growth Estimate	-4.25%
MG Value	\$2.12
MG Value based on 3% Growth	-\$5.59
MG Value based on 0% Growth	-\$3.28
Market Implied Growth Rate	-107.46%

MG Opinion

Current Price	\$79.54
% of Intrinsic Value	3745.18%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

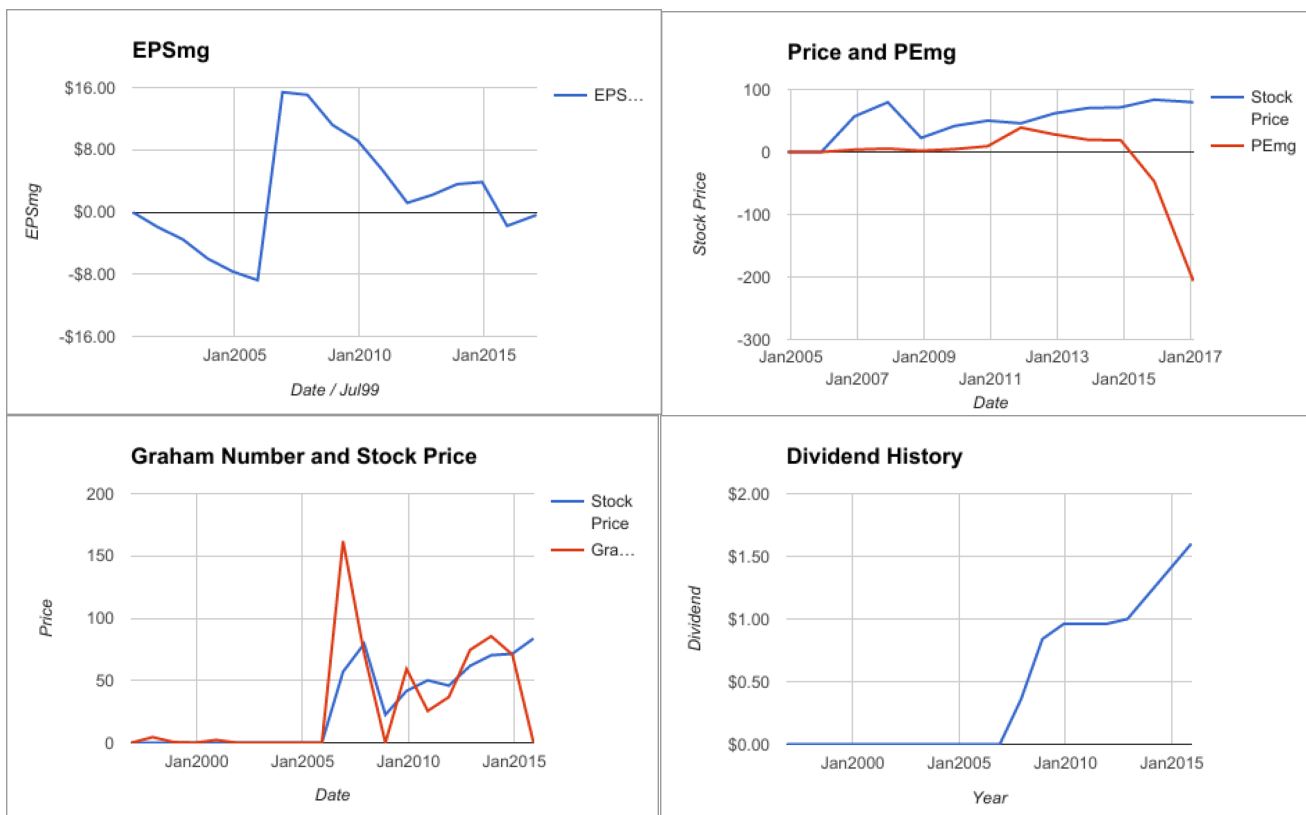
Net Current Asset Value (NCAV)	\$2.12
Graham Number	\$67.60
PEmg	-206.42
Current Ratio	4.13
PB Ratio	1.78
Current Dividend	\$1.75
Dividend Yield	2.20%
Number of Consecutive Years of Dividend Growth	5

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	\$4.47	Next Fiscal Year Estimate	-\$0.39
Dec2015	-\$13.76	Dec2015	-\$1.79
Dec2014	\$3.86	Dec2014	\$3.84
Dec2013	\$5.44	Dec2013	\$3.58
Dec2012	\$4.45	Dec2012	\$2.20
Dec2011	\$1.32	Dec2011	\$1.18
Dec2010	\$0.61	Dec2010	\$5.41
Dec2009	\$3.51	Dec2009	\$9.21
Dec2008	-\$3.45	Dec2008	\$11.19
Dec2007	\$4.97	Dec2007	\$15.06
Dec2006	\$64.49	Dec2006	\$15.40
Dec2005	-\$9.46	Dec2005	-\$8.77
Dec2004	-\$9.36	Dec2004	-\$7.66
Dec2003	-\$9.83	Dec2003	-\$5.99
Dec2002	-\$5.82	Dec2002	-\$3.52
Dec2001	-\$5.73	Dec2001	-\$1.95
Dec2000	\$0.21	Dec2000	-\$0.03
Dec1999	-\$0.68	Balance Sheet Information 9/1/2016	
Dec1998	\$0.01	Total Current Assets	\$657,900,000
Dec1997	\$0.57	Total Current Liabilities	\$159,200,000
Dec1996	\$0.00	Long-Term Debt	\$368,500,000
		Total Assets	\$1,433,400,000
		Intangible Assets	\$63,900,000
		Total Liabilities	\$619,300,000
		Shares Outstanding (Diluted Average)	18,175,000





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

#N/A

Other
ModernGraham
posts about related
companies

- [Freeport-McMoRan Inc Valuation – January 2017 \\$FCX](#)
- [Semafo Inc Valuation – Initial Coverage \\$TSE:SMF](#)
- [U.S. Silica Holdings Inc Valuation – Initial Coverage \\$SLCA](#)
- [Ivanhoe Mines Ltd Valuation – Initial Coverage \\$TSE:IVN](#)
- [Cloud Peak Energy Inc Valuation – Initial Coverage \\$CLD](#)
- [Centerra Gold Inc Valuation – Initial Coverage \\$TSE:CG](#)
- [IAMGOLD Corp Valuation – Initial Coverage \\$IMG](#)
- [Silver Wheaton Corp Valuation – December 2016 \\$SLW](#)
- [Century Aluminum Co Valuation – Initial Coverage \\$CENX](#)
- [Goldcorp Inc Valuation – August 2016 \\$GG](#)