

ModernGraham Valuation

Company Name:

Company Ticker ALB
Date of Analysis

Albemarle
Corporation

3/18/2017



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	\$12,068,159,047	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.90	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	71.18%	Pass
5. Earnings Growth	PEmg < 20	26.35	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.17	Fail
7. Moderate Price to Assets			

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	2.90	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.98	Pass
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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.03
MG Growth Estimate	0.11%
MG Value	\$35.12
MG Value based on 3% Growth	\$58.44
MG Value based on 0% Growth	\$34.26
Market Implied Growth Rate	8.93%

MG Opinion

Current Price	\$106.21
% of Intrinsic Value	302.41%
Opinion	Overvalued
MG Grade	C+

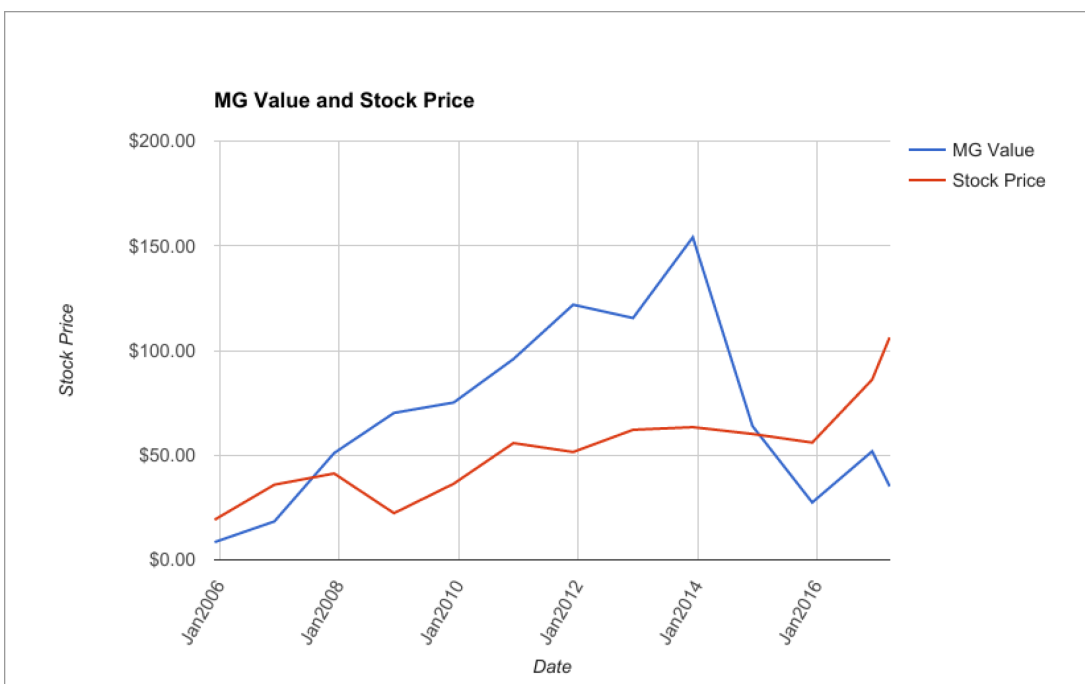
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.36
Graham Number	\$55.71
PEmg	26.35
Current Ratio	2.90
PB Ratio	3.17
Current Dividend	\$1.22
Dividend Yield	1.15%
Number of Consecutive Years of Dividend Growth	20

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.09	Next Fiscal Year Estimate	\$4.03
Dec2016	\$5.68	Dec2016	\$3.92
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	Balance Sheet Information 12/1/2016	
Dec1999	\$0.94	Total Current Assets	\$3,306,618,000
Dec1998	\$0.82	Total Current Liabilities	\$1,140,103,000
Dec1997	\$0.72	Long-Term Debt	\$2,121,718,000
		Total Assets	\$8,161,207,000
		Intangible Assets	\$1,894,596,000
		Total Liabilities	\$4,366,145,000
		Shares Outstanding (Diluted Average)	113,239,000





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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