

# ModernGraham Valuation

Allegheny  
Technologies  
Incorporated



**Company Name:**

Company Ticker ATI

Date of Analysis

3/10/2017

## 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	\$1,843,520,763	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.49	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-235.62%	Fail
5. Earnings Growth	PEmg < 20	-8.38	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.38	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	2.49	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.68	Fail
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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$2.07
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$30.05
MG Value based on 0% Growth	-\$17.62
Market Implied Growth Rate	-8.44%

### MG Opinion

Current Price	\$17.37
% 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)	-\$19.09
Graham Number	\$10.58
PEmg	-8.38
Current Ratio	2.49
PB Ratio	1.38
Current Dividend	\$0.32
Dividend Yield	1.84%
Number of Consecutive Years of Dividend Growth	1

### Useful Links:

[ModernGraham tagged articles](#)

[Google Finance](#)

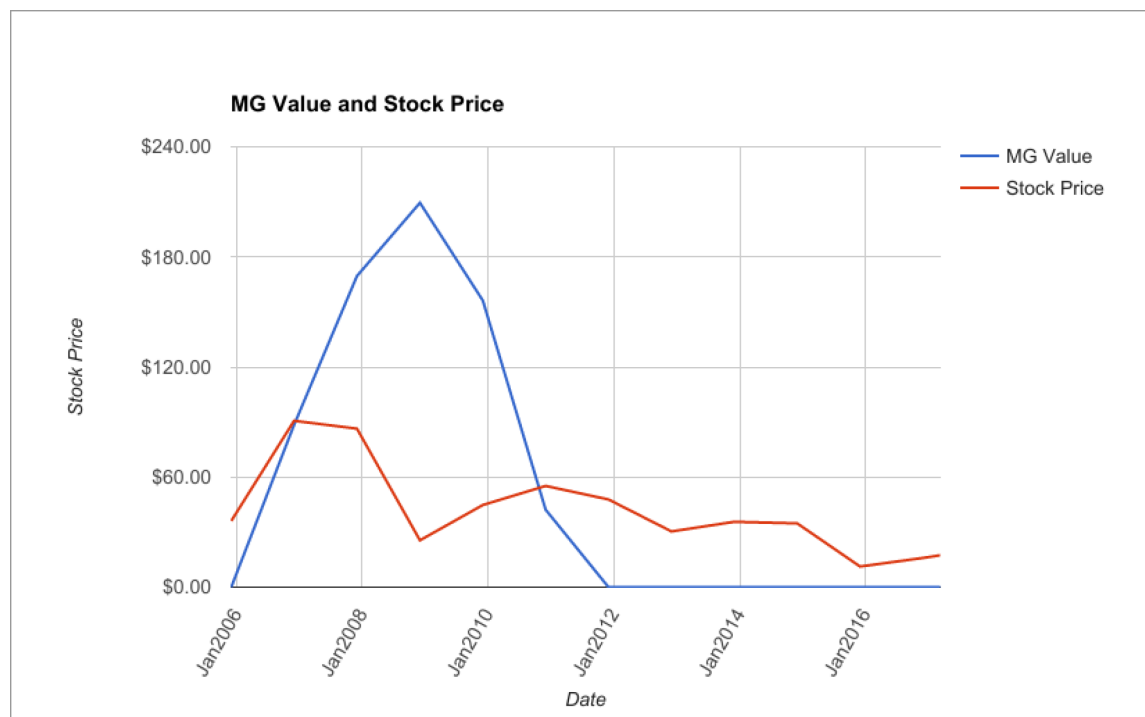
[Yahoo Finance](#)

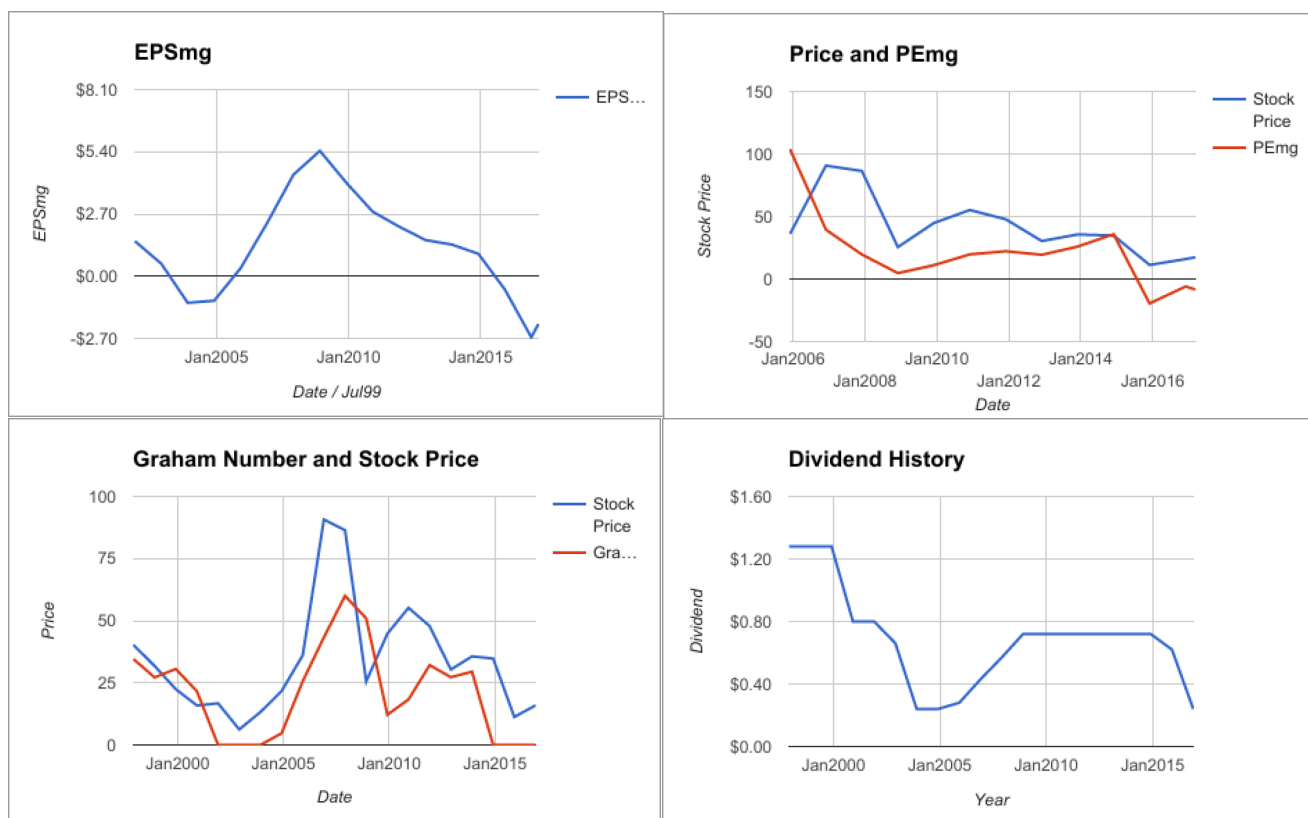
[Morningstar](#)

[MSN Money](#)

[Seeking Alpha](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.40	Next Fiscal Year Estimate	-\$2.07
Dec2016	-\$5.97	Dec2016	-\$2.65
Dec2015	-\$3.53	Dec2015	-\$0.57
Dec2014	-\$0.03	Dec2014	\$0.97
Dec2013	\$1.44	Dec2013	\$1.37
Dec2012	\$1.43	Dec2012	\$1.57
Dec2011	\$1.97	Dec2011	\$2.15
Dec2010	\$0.72	Dec2010	\$2.80
Dec2009	\$0.32	Dec2009	\$4.06
Dec2008	\$5.67	Dec2008	\$5.44
Dec2007	\$7.26	Dec2007	\$4.40
Dec2006	\$5.61	Dec2006	\$2.30
Dec2005	\$3.59	Dec2005	\$0.35
Dec2004	\$0.22	Dec2004	-\$1.06
Dec2003	-\$3.89	Dec2003	-\$1.16
Dec2002	-\$0.82	Dec2002	\$0.54
Dec2001	-\$0.31	Dec2001	\$1.52
Dec2000	\$1.60	<b>Balance Sheet Information 12/1/2016</b>	
Dec1999	\$3.13	Total Current Assets	\$1,766,500,000
Dec1998	\$2.43	Total Current Liabilities	\$708,700,000
Dec1997	\$3.73	Long-Term Debt	\$1,771,900,000
		Total Assets	\$5,170,000,000
		Intangible Assets	\$641,900,000
		Total Liabilities	\$3,814,800,000
		Shares Outstanding (Diluted Average)	107,300,000





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

- [Allegheny Technologies Inc. Valuation – November 2015 Update \\$ATI](#)
- [26 Companies in the Spotlight This Week – 11/22/14](#)
- [Allegheny Technologies Inc. Annual Valuation – 2014 \\$ATI](#)
- [ModernGraham Valuation: Allegheny Technologies \(ATI\)](#)

Other  
ModernGraham  
posts about related  
companies

- [Silver Standard Resources Inc Valuation – Initial Coverage \\$TSE:SSO](#)
- [Sandstorm Gold Ltd Valuation – Initial Coverage \\$TSE:SSL](#)
- [Kirkland Lakes Gold Ltd Valuation – Initial Coverage \\$TSE:KL](#)
- [Klondex Mines Ltd Valuation – Initial Coverage \\$TSE:KDX](#)
- [Natural Resource Partners LP Valuation – February 2017 \\$NRP](#)
- [Kaiser Aluminum Corp Valuation – Initial Coverage \\$KALU](#)
- [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](#)