

# ModernGraham Valuation

Company Name:

Alcoa Corp

Company Ticker AA

Date of Analysis

8/14/2017



## 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	\$6,855,587,425	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.37	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	-90333433.33%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-118.69	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.16	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	1.37	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.45	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.31
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$4.54
MG Value based on 0% Growth	-\$2.66
Market Implied Growth Rate	-63.60%

### MG Opinion

Current Price	\$37.19
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

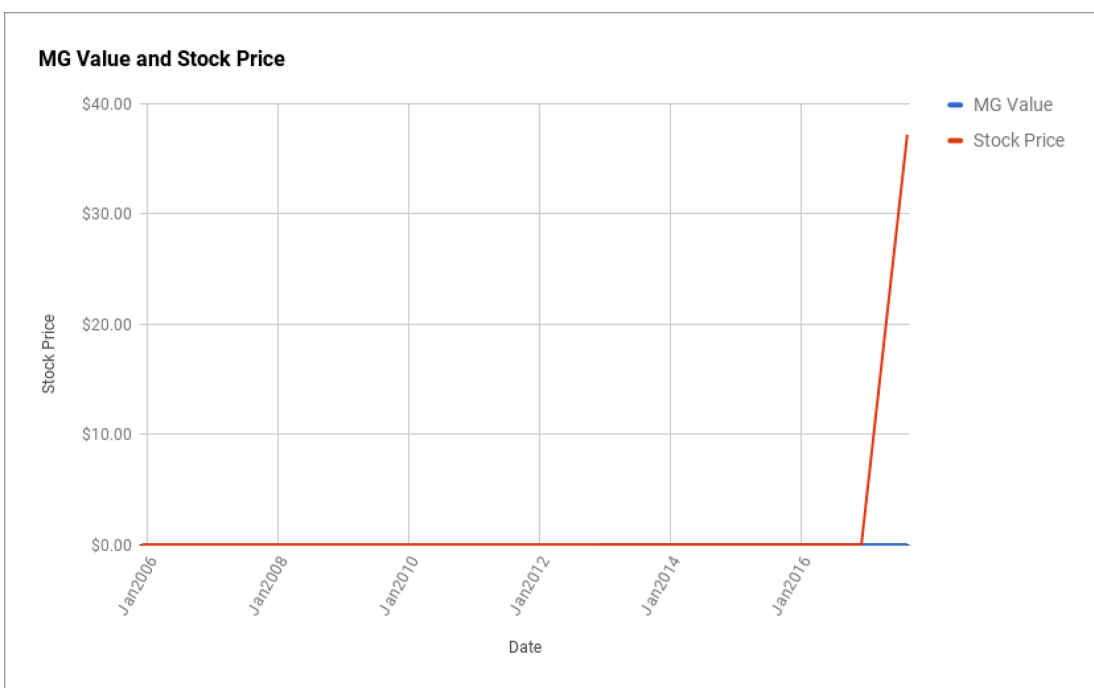
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$39.74
Graham Number	\$54.11
PEmg	-118.69
Current Ratio	1.37
PB Ratio	1.16
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.21	Next Fiscal Year Estimate	-\$0.31
Dec2016	-\$2.19	Dec2016	-\$2.27
Dec2015	-\$4.73	Dec2015	-\$1.95
Dec2014	-\$1.40	Dec2014	-\$0.47
Dec2013	\$0.00	Dec2013	\$0.00
Dec2012	\$0.00	Dec2012	\$0.00
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
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	<b>Balance Sheet Information 6/1/2017</b>	
Dec1999	\$0.00	Total Current Assets	\$3,583,000,000
Dec1998	\$0.00	Total Current Liabilities	\$2,608,000,000
Dec1997	\$0.00	Long-Term Debt	\$1,418,000,000
		Total Assets	\$16,929,000,000
		Intangible Assets	\$0
		Total Liabilities	\$10,975,000,000
		Shares Outstanding (Diluted Average)	186,000,000





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**

- [Alcoa Inc Valuation – July 2016 \\$AA](#)
- [58 Companies in the Spotlight This Week – 1/31/15](#)
- [Alcoa Inc. Annual Valuation – 2015 \\$AA](#)
- [14 Companies in the Spotlight This Week – 1/4/14](#)
- [ModernGraham Valuation: Alcoa Inc. \(AA\)](#)

**Other ModernGraham posts about related companies**

- [New Gold Inc \(USA\) Valuation – Initial Coverage \\$NGD](#)
- [Dominion Diamond Corp Valuation – Initial Coverage \\$TSE:DDC](#)
- [Lundin Mining Co Valuation – Initial Coverage \\$TSE:LUN](#)
- [Lucara Diamond Corp Valuation – Initial Coverage \\$TSE:LUC](#)
- [Teck Resources Ltd Valuation – Initial Coverage \\$TSE:TECK.B](#)
- [Consol Energy Inc Valuation – March 2017 \\$CNX](#)
- [Stillwater Mining Company Valuation – Initial Coverage \\$SWC](#)
- [Allegheny Technologies Inc Valuation – March 2017 \\$ATI](#)
- [Silver Standard Resources Inc Valuation – Initial Coverage \\$TSE:SSO](#)
- [Sandstorm Gold Ltd Valuation – Initial Coverage \\$TSE:SSL](#)