

ModernGraham Valuation

Company Name:

Century Aluminum Co

Company Ticker CENX

Date of Analysis

7/1/2018



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	\$1,373,166,112	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.88	Pass
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	5.91%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-42.80	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.66	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	2.88	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.67	Pass
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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.37
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$5.34
MG Value based on 0% Growth	-\$3.13
Market Implied Growth Rate	-25.65%

MG Opinion

Current Price	\$15.75
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

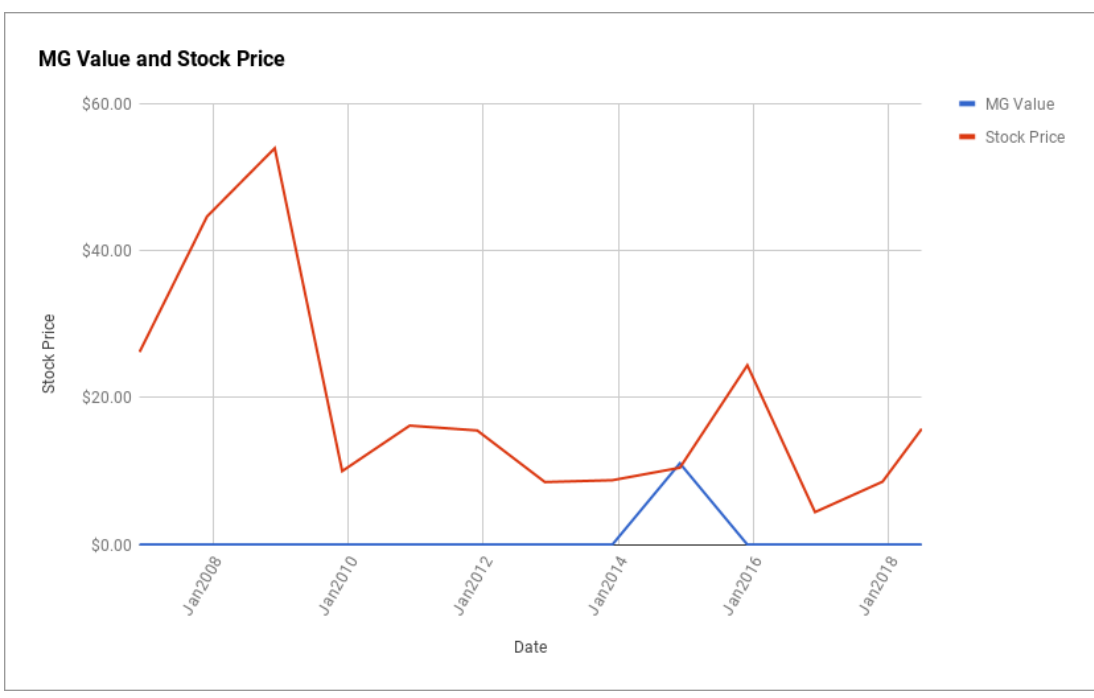
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.08
Graham Number	\$7.15
PEmg	-42.80
Current Ratio	2.88
PB Ratio	1.66
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$0.24	Next Fiscal Year Estimate	-\$0.37
Dec2017	\$0.51	Dec2017	-\$0.60
Dec2016	-\$2.90	Dec2016	-\$0.97
Dec2015	-\$0.68	Dec2015	-\$0.02
Dec2014	\$1.30	Dec2014	\$0.29
Dec2013	-\$0.45	Dec2013	-\$0.34
Dec2012	-\$0.40	Dec2012	-\$1.68
Dec2011	\$0.11	Dec2011	-\$3.20
Dec2010	\$0.59	Dec2010	-\$4.98
Dec2009	-\$2.73	Dec2009	-\$7.20
Dec2008	-\$20.00	Dec2008	-\$8.05
Dec2007	-\$2.72	Dec2007	-\$1.83
Dec2006	-\$1.26	Dec2006	-\$1.25
Dec2005	-\$3.62	Dec2005	-\$1.13
Dec2004	\$1.14	Dec2004	\$0.11
Dec2003	-\$0.19	Dec2003	-\$0.31
Dec2002	-\$0.99	Dec2002	-\$0.21
Dec2001	-\$0.79	Balance Sheet Information 3/1/2018	
Dec2000	\$1.24	Total Current Assets	\$568,600,000
Dec1999	\$0.19	Total Current Liabilities	\$197,200,000
Dec1998	\$0.89	Long-Term Debt	\$248,300,000
		Total Assets	\$1,580,800,000
		Intangible Assets	\$0
		Total Liabilities	\$750,400,000
		Shares Outstanding (Diluted Average)	87,600,000





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 [Century Aluminum Co Valuation – Initial Coverage \\$CENX](#)

Other ModernGraham posts about related companies [Freeport-McMoRan Inc Valuation – May 2018 \\$FCX](#)
[Newmont Mining Corp Valuation – March 2018 \\$NEM](#)
[Lucara Diamond Corp Valuation – March 2018 \\$TSE-LUC](#)
[MAG Silver Corp Valuation – Initial Coverage \\$TSE:MAG](#)
[Osisko Gold Royalties Ltd Valuation – Initial Coverage \\$TSE:OR](#)
[Alcoa Corp Valuation – Initial Coverage \\$AA](#)
[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](#)