

ModernGraham Valuation

Allegheny
Technologies
Incorporated



Company Name:

Company Ticker ATI

Date of Analysis

9/1/2018

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	\$3,426,092,997	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.87	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. Earnings Growth		-273.09%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-19.90	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.93	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	2.87	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.11	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$1.36
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$19.69
MG Value based on 0% Growth	-\$11.54
Market Implied Growth Rate	-14.20%

MG Opinion

Current Price	\$27.03
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$8.40
Graham Number	\$22.24
PEmg	-19.90
Current Ratio	2.87
PB Ratio	1.93
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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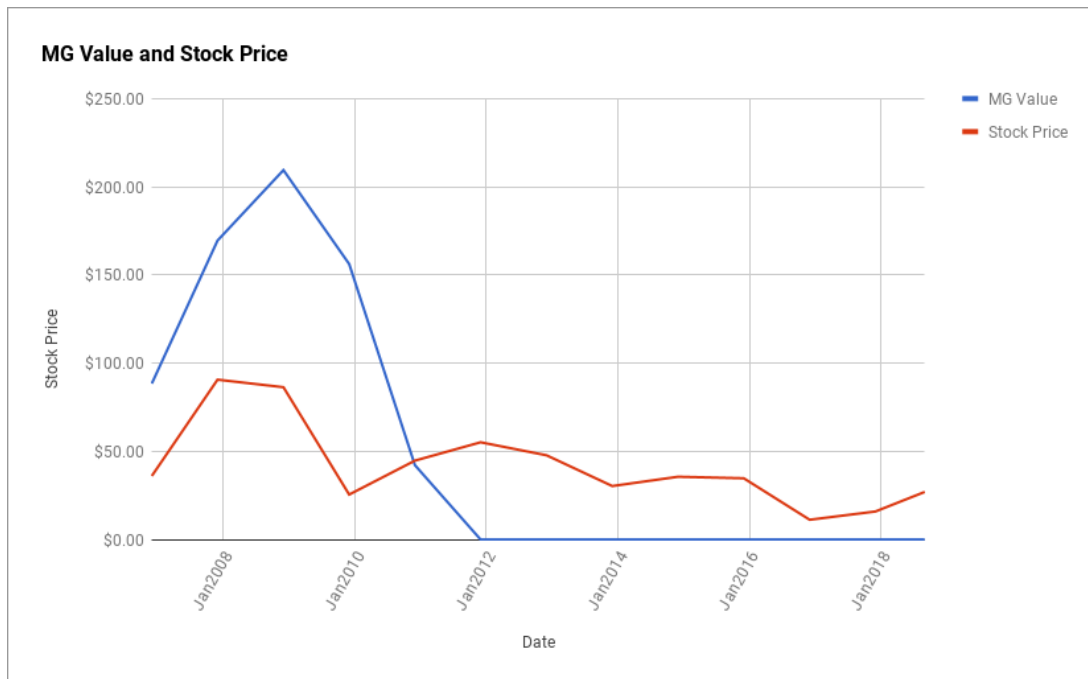
[Yahoo Finance](#)

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.59	Next Fiscal Year Estimate	-\$1.36
Dec2017	-\$0.83	Dec2017	-\$2.48
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	Balance Sheet Information	
Dec2000	\$1.60	6/1/2018	
Dec1999	\$3.13	Total Current Assets	\$2,126,300,000
Dec1998	\$2.43	Total Current Liabilities	\$741,300,000
		Long-Term Debt	\$1,535,500,000
		Total Assets	\$5,393,300,000
		Intangible Assets	\$531,000,000
		Total Liabilities	\$3,351,400,000
		Shares Outstanding (Diluted Average)	145,800,000





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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