

# ModernGraham Valuation

## Company Name:

Company Ticker ALB  
Date of Analysis

Albemarle  
Corporation

1/8/2019



## 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	\$8,212,910,174	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.83	Fail
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	31.61%	Fail
5. Earnings Growth	PEmg < 20	19.55	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.27	Pass
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	1.83	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.51	Fail
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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.96
MG Growth Estimate	2.64%
<b>MG Value</b>	<b>\$54.54</b>
MG Value based on 3% Growth	\$57.36
MG Value based on 0% Growth	\$33.63
Market Implied Growth Rate	5.52%

### MG Opinion

Current Price	\$77.33
% of Intrinsic Value	141.79%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$16.08
Graham Number	\$69.88
PEmg	19.55
Current Ratio	1.83
PB Ratio	2.27
Current Dividend	\$1.28
Dividend Yield	1.66%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

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[Google Finance](#)  
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[GuruFocus](#)  
[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.53	Next Fiscal Year Estimate	\$3.96
Dec2017	\$0.49	Dec2017	\$2.83
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	<b>Balance Sheet Information</b> <b>9/1/2018</b>	
Dec2000	\$1.09	Total Current Assets	\$2,059,577,000
Dec1999	\$0.94	Total Current Liabilities	\$1,127,009,000
Dec1998	\$0.82	Long-Term Debt	\$1,411,605,000
		Total Assets	\$7,487,195,000
		Intangible Assets	\$1,988,907,000
		Total Liabilities	\$3,800,918,000
		Shares Outstanding (Diluted Average)	108,302,000





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

[Albemarle Corp Valuation – March 2018 \\$ALB](#)  
[Albemarle Corp Valuation – March 2017 \\$ALB](#)  
[Albemarle Corporation Valuation – August 2016 \\$ALB](#)  
[Albemarle Corp Valuation – February 2016 \\$ALB](#)  
[Albemarle Corporation Valuation – November 2015 Update \\$ALB](#)

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ModernGraham  
posts about related  
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[Chemtrade Logistics Income Fund Valuation – July 2018 \\$TSE:CHE.UN](#)  
[PPG Industries Inc Valuation – May 2018 \\$PPG](#)  
[Innospec Inc Valuation – April 2018 \\$IOSP](#)  
[Innophos Holdings Inc Valuation – March 2018 \\$IPHS](#)  
[Olin Corp Valuation – March 2018 \\$OLN](#)  
[A Schulman Inc Valuation – March 2018 \\$SHLM](#)  
[FMC Corp Valuation – March 2018 \\$FMC](#)  
[Compass Minerals International Inc Valuation – March 2018 \\$CMP](#)  
[Ashland Global Holdings Inc Valuation – March 2018 \\$ASH](#)