

ModernGraham Valuation

Company Name:

Ashland Inc

Company Ticker ASH

Date of Analysis

8/28/2015



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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Earnings Growth		Pass
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Pass

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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	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	Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	5.13
MG Growth Estimate	10.80%
MG Value	\$154.25
MG Value based on 3% Growth	\$74.33
MG Value based on 0% Growth	\$43.57
Market Implied Growth Rate	5.99%

MG Opinion

Current Price	\$104.99
% of Intrinsic Value	68.06%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$54.35
PEmg	20.48
Current Ratio	2.25
PB Ratio	2.25
Dividend Yield	1.34%
Number of Consecutive Years of Dividend Growth	6

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	\$6.67	Next Fiscal Year Estimate	\$5.13
Sep14	\$3.00	Sep14	\$4.16
Sep13	\$8.57	Sep13	\$4.28
Sep12	\$0.33	Sep12	\$2.15
Sep11	\$5.17	Sep11	\$2.98
Sep10	\$1.78	Sep10	\$2.23
Sep09	\$0.96	Sep09	\$4.28
Sep08	\$2.63	Sep08	\$6.89
Sep07	\$3.60	Sep07	\$8.85
Sep06	\$5.64	Sep06	\$10.35
Sep05	\$26.85	Sep05	\$11.19
Sep04	\$5.25	Sep04	\$3.23
Sep03	\$1.10	Sep03	\$2.39
Sep02	\$1.67	Sep02	\$3.03
Sep01	\$5.93	Sep01	\$3.61
Sep00	\$0.98	Sep00	\$2.57
Sep99	\$3.89	Sep99	\$3.13
Sep98	\$2.63	Balance Sheet Information Jun15	
Sep97	\$3.64	Total Current Assets	\$3,092,000,000
Sep96	\$2.96	Total Current Liabilities	\$1,374,000,000
Sep95	\$0.08	Long-Term Debt	\$3,362,000,000
		Total Assets	\$9,955,000,000
		Intangible Assets	\$3,689,000,000
		Total Liabilities	\$6,788,000,000
		Shares Outstanding (Diluted Average)	68,000,000



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

#N/A

Other
ModernGraham
posts about related
companies

[The Best Companies of the Chemicals Industry – August 2015](#)
[LyondellBasell Industries Analysis – August 2015 Update \\$LYB](#)
[Albemarle Corporation Analysis – Initial Coverage \\$ALB](#)
[E I Du Pont de Nemours & Company Analysis – August 2015 Update \\$DD](#)
[Dow Chemical Analysis – July 2015 Update \\$DOW](#)
[Sigma-Aldrich Corporation Analysis – June 2015 Update \\$SIAL](#)
[Eastman Chemical Company Analysis – June 2015 Quarterly Update \\$EMN](#)
[FMC Corporation Analysis – June 2015 Quarterly Update \\$FMC](#)
[LyondellBassell Industries Quarterly Valuation – May 2015 \\$LYB](#)
[Olin Corporation Annual Valuation – 2015 \\$OLN](#)