

ModernGraham Valuation

Company Name:

Ingevity Corp

Company Ticker NGVT

Date of Analysis

3/6/2018



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	\$3,300,167,863	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.41	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	22866.67%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	32.06	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	12.64	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	2.41	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.44
MG Growth Estimate	15.00%
MG Value	\$94.09
MG Value based on 3% Growth	\$35.44
MG Value based on 0% Growth	\$20.77
Market Implied Growth Rate	11.78%

MG Opinion

Current Price	\$78.36
% of Intrinsic Value	83.28%
Opinion	Fairly Valued
MG Grade	C

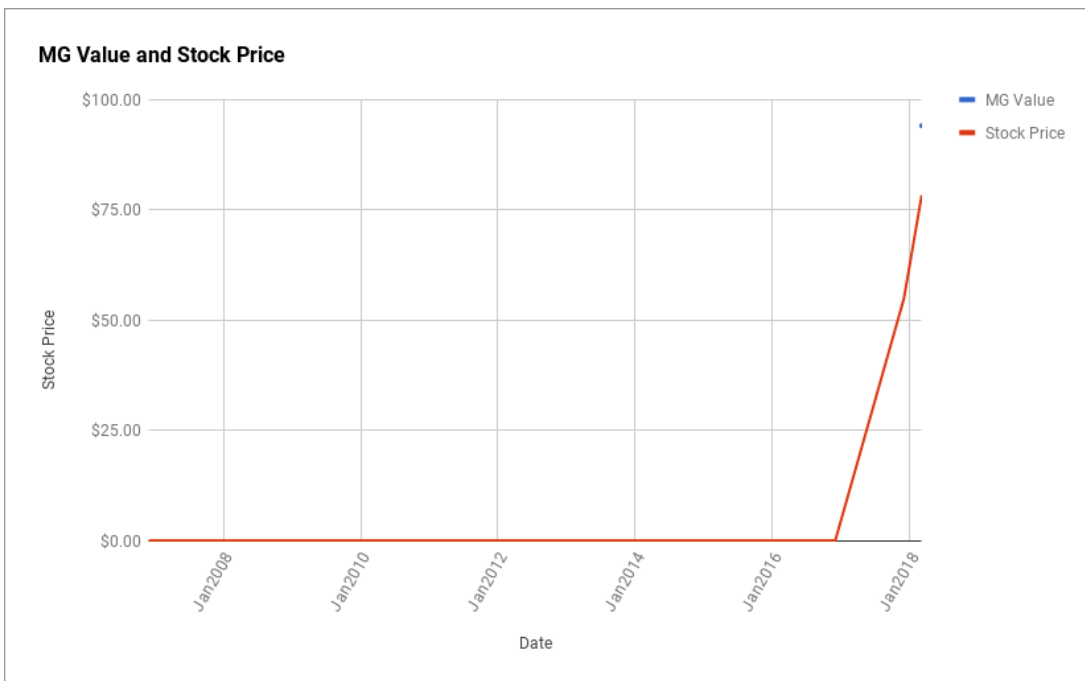
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$6.98
Graham Number	\$20.88
PEmg	32.06
Current Ratio	2.41
PB Ratio	12.64
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	\$3.09	Next Fiscal Year Estimate	\$2.44
Dec2017	\$2.97	Dec2017	\$2.00
Dec2016	\$0.83	Dec2016	\$1.39
Dec2015	\$1.89	Dec2015	\$1.45
Dec2014	\$3.06	Dec2014	\$1.02
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	Balance Sheet Information 12/1/2017	
Dec2000	\$0.00	Total Current Assets	\$368,700,000
Dec1999	\$0.00	Total Current Liabilities	\$153,200,000
Dec1998	\$0.00	Long-Term Debt	\$0
		Total Assets	\$929,600,000
		Intangible Assets	\$17,300,000
		Total Liabilities	\$665,700,000
		Shares Outstanding (Diluted Average)	42,556,000





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 [Ingevity Corp Valuation – Initial Coverage \\$NGVT](#)

Other ModernGraham posts about related companies [Eastman Chemical Co Valuation – March 2018 \\$EMN](#)
[LyondellBasell Industries NV Valuation – March 2018 \\$LYB](#)
[DowDuPont Inc Valuation – February 2018 \\$DWDP](#)
[Green Plains Inc Valuation – Initial Coverage \\$GPRE](#)
[PolyOne Corp Valuation – Initial Coverage \\$POL](#)
[Ingevity Corp Valuation – Initial Coverage \\$NGVT](#)
[Praxair Inc Valuation – August 2017 \\$PX](#)
[Albemarle Corp Valuation – March 2017 \\$ALB](#)
[Sensient Technologies Corp Valuation – Initial Coverage \\$SXT](#)
[Quaker Chemical Corp Valuation – Initial Coverage \\$KWR](#)