

ModernGraham Valuation

Company Name:

Olin Corporation

Company Ticker OLN

Date of Analysis

3/8/2018



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	\$5,419,053,051	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.78	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-6.87%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	20.40	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.00	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	1.78	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.85	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.59
MG Growth Estimate	-2.15%
MG Value	\$6.67
MG Value based on 3% Growth	\$23.05
MG Value based on 0% Growth	\$13.51
Market Implied Growth Rate	5.95%

MG Opinion

Current Price	\$32.43
% of Intrinsic Value	485.96%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$28.13
Graham Number	\$26.61
PEmg	20.40
Current Ratio	1.78
PB Ratio	2.00
Current Dividend	\$0.80
Dividend Yield	2.47%
Number of Consecutive Years of Dividend Growth	0

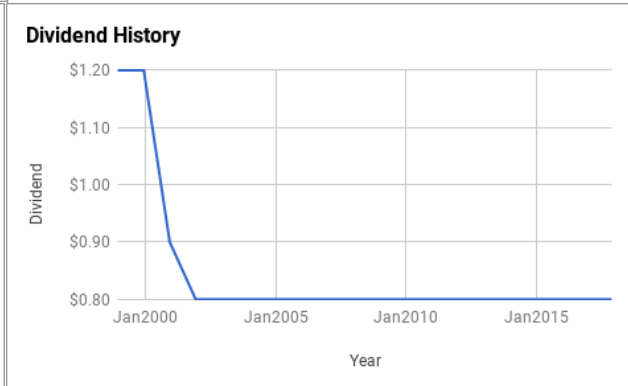
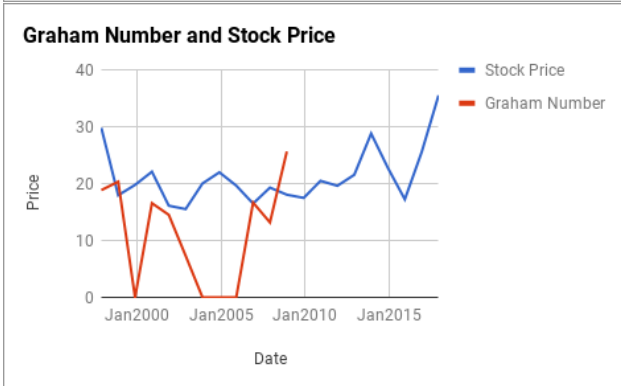
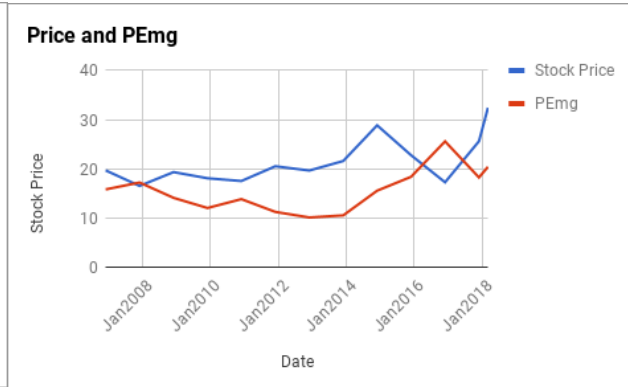
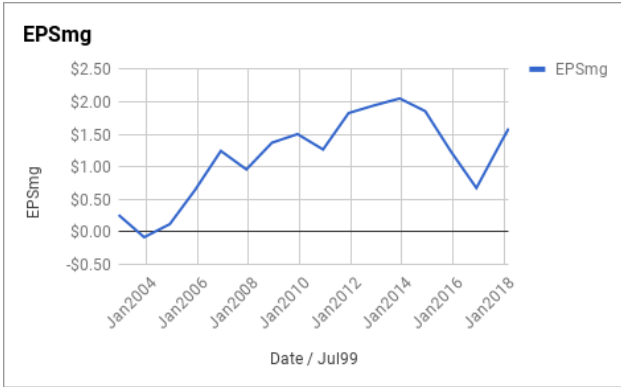
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.91	Next Fiscal Year Estimate	\$1.59
Dec2017	\$3.26	Dec2017	\$1.40
Dec2016	-\$0.02	Dec2016	\$0.67
Dec2015	-\$0.01	Dec2015	\$1.24
Dec2014	\$1.33	Dec2014	\$1.86
Dec2013	\$2.21	Dec2013	\$2.05
Dec2012	\$1.85	Dec2012	\$1.94
Dec2011	\$2.99	Dec2011	\$1.83
Dec2010	\$0.81	Dec2010	\$1.27
Dec2009	\$1.73	Dec2009	\$1.50
Dec2008	\$2.07	Dec2008	\$1.37
Dec2007	-\$0.12	Dec2007	\$0.96
Dec2006	\$2.06	Dec2006	\$1.24
Dec2005	\$1.86	Dec2005	\$0.65
Dec2004	\$0.80	Dec2004	\$0.12
Dec2003	-\$0.42	Dec2003	-\$0.08
Dec2002	-\$0.63	Dec2002	\$0.26
Dec2001	-\$0.22	Balance Sheet Information	
Dec2000	\$1.80	12/1/2017	
Dec1999	\$0.45	Total Current Assets	\$1,699,200,000
Dec1998	\$1.63	Total Current Liabilities	\$954,300,000
		Long-Term Debt	\$3,611,300,000
		Total Assets	\$9,218,300,000
		Intangible Assets	\$2,698,500,000
		Total Liabilities	\$6,464,600,000
		Shares Outstanding (Diluted Average)	169,400,000





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**
- [47 Companies in the Spotlight This Week – 5/16/15](#)
 - [Olin Corporation Annual Valuation – 2015 \\$OLN](#)
 - [Olin Corporation Quarterly Valuation – January 2015 \\$OLN](#)
 - [13 Companies in the Spotlight This Week – 10/4/14](#)
 - [Olin Corporation Quarterly Stock Valuation – September 2014 \\$OLN](#)

- Other ModernGraham posts about related companies**
- [Koppers Holdings Inc Valuation – March 2018 \\$KOP](#)
 - [Kraton Corp Valuation – March 2018 \\$KRA](#)
 - [Quaker Chemical Corp Valuation – March 2018 \\$KWR](#)
 - [Sensient Technologies Corp Valuation – March 2018 \\$SXT](#)
 - [Albemarle Corp Valuation – March 2018 \\$ALB](#)
 - [Praxair Inc Valuation – March 2018 \\$PX](#)
 - [Ingevity Corp Valuation – March 2018 \\$NGVT](#)
 - [PolyOne Corp Valuation – March 2018 \\$POL](#)
 - [Green Plains Inc Valuation – March 2018 \\$GPRE](#)
 - [Eastman Chemical Co Valuation – March 2018 \\$EMN](#)