

# ModernGraham Valuation

Company Name:

Mattel, Inc.

Company Ticker MAT

Date of Analysis

9/8/2015



## 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	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Fail
5. Earnings Growth		Fail
6. Moderate PEmg Ratio	PEmg < 20	Pass
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	Fail

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.68
MG Growth Estimate	-0.67%
<b>MG Value</b>	<b>\$12.02</b>
MG Value based on 3% Growth	\$24.32
MG Value based on 0% Growth	\$14.26
Market Implied Growth Rate	2.61%

### MG Opinion

Current Price	\$23.00
% of Intrinsic Value	191.33%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.96
Graham Number	\$13.05
PEmg	13.71
Current Ratio	2.84
PB Ratio	3.04
Dividend Yield	6.61%
Number of Consecutive Years of Dividend Growth	6

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.00	Next Fiscal Year Estimate	\$1.68
Dec14	\$1.45	Dec14	\$2.03
Dec13	\$2.58	Dec13	\$2.23
Dec12	\$2.22	Dec12	\$1.96
Dec11	\$2.18	Dec11	\$1.76
Dec10	\$1.86	Dec10	\$1.52
Dec09	\$1.45	Dec09	\$1.34
Dec08	\$1.05	Dec08	\$1.29
Dec07	\$1.54	Dec07	\$1.38
Dec06	\$1.53	Dec06	\$1.25
Dec05	\$1.01	Dec05	\$1.06
Dec04	\$1.35	Dec04	\$0.90
Dec03	\$1.22	Dec03	\$0.53
Dec02	\$0.52	Dec02	\$0.20
Dec01	\$0.68	Dec01	\$0.12
Dec00	-\$1.01	Dec00	\$0.04
Dec99	-\$0.21	Dec99	\$0.67
Dec98	\$1.10	<b>Balance Sheet Information Jun15</b>	
Dec97	\$0.93	Total Current Assets	\$2,529,702,000
Dec96	\$1.36	Total Current Liabilities	\$889,674,000
Dec95	\$1.26	Long-Term Debt	\$2,100,000,000
		Total Assets	\$6,097,802,000
		Intangible Assets	\$2,119,682,000
		Total Liabilities	\$3,533,329,000
		Shares Outstanding (Diluted Average)	338,843,000



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

[30 Companies in the Spotlight This Week – 5/23/15](#)

[Mattel Inc. Quarterly Valuation – May 2015 \\$MAT](#)

[10 Companies Benjamin Graham Would Invest In Today – May 2015](#)

[5 Highest Dividend Yields Among Undervalued Companies for the Defensive Investor – April 2015](#)

[5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – April 2015](#)

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ModernGraham  
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[Hasbro Inc. Analysis – August 2015 Update \\$HAS](#)

[Mattel Inc. Quarterly Valuation – May 2015 \\$MAT](#)

[Hasbro Inc. Quarterly Valuation – February 2015 \\$HAS](#)

[Mattel Inc. Quarterly Valuation – February 2015 \\$MAT](#)

[Electronic Arts Inc. Annual Valuation – 2015 \\$EA](#)

[Hasbro Inc. Quarterly Valuation – November 2014 \\$HAS](#)

[Mattel Inc. Quarterly Valuation – October 2014 \\$MAT](#)

[Hasbro Inc. Quarterly Valuation – August 2014 \\$HAS](#)

[Mattel Inc. Quarterly Valuation – July 2014 \\$MAT](#)

[Hasbro Inc. May 2014 Quarterly Valuation \\$HAS](#)