

# ModernGraham Valuation

Company Name:

Mattel, Inc.

Company Ticker MAT

Date of Analysis

1/30/2016



## 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	\$9,223,646,004	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.21	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	20.87%	Fail
6. Moderate PEmg Ratio	PEmg < 20	16.61	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.64	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	2.21	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.21	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>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.66
MG Growth Estimate	-0.81%
<b>MG Value</b>	<b>\$11.43</b>
MG Value based on 3% Growth	\$24.08
MG Value based on 0% Growth	\$14.12
Market Implied Growth Rate	4.06%

### MG Opinion

Current Price	\$27.59
% of Intrinsic Value	241.41%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.63
Graham Number	\$12.73
PEmg	16.61
Current Ratio	2.21
PB Ratio	3.64
Dividend Yield	5.51%
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	\$0.95	Next Fiscal Year Estimate	\$1.66
Dec2014	\$1.45	Dec2014	\$2.03
Dec2013	\$2.58	Dec2013	\$2.23
Dec2012	\$2.22	Dec2012	\$1.96
Dec2011	\$2.18	Dec2011	\$1.76
Dec2010	\$1.86	Dec2010	\$1.52
Dec2009	\$1.45	Dec2009	\$1.34
Dec2008	\$1.05	Dec2008	\$1.29
Dec2007	\$1.54	Dec2007	\$1.38
Dec2006	\$1.53	Dec2006	\$1.25
Dec2005	\$1.01	Dec2005	\$1.06
Dec2004	\$1.35	Dec2004	\$0.90
Dec2003	\$1.22	Dec2003	\$0.53
Dec2002	\$0.52	Dec2002	\$0.16
Dec2001	\$0.68	Dec2001	-\$0.06
Dec2000	-\$1.01	Dec2000	-\$0.29
Dec1999	-\$0.21	Dec1999	\$0.12
Dec1998	\$0.47	<div><div>Balance Sheet Information</div><div>Sep2015</div></div>	
Dec1997	-\$0.52	Total Current Assets	\$3,183,219,000
Dec1996	\$1.23	Total Current Liabilities	\$1,441,598,000
Dec1995	\$0.00	Long-Term Debt	\$2,100,000,000
		Total Assets	\$6,649,530,000
		Intangible Assets	\$2,100,249,000
		Total Liabilities	\$4,076,867,000
		Shares Outstanding (Diluted Average)	339,790,000





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:

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ModernGraham  
posts about the  
company

[Mattel Inc. Analysis – September 2015 Update \\$MAT](#)  
[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](#)

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[Mattel Inc. Analysis – September 2015 Update \\$MAT](#)  
[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](#)