

ModernGraham Valuation

Company Name:

Company Ticker MLM
Date of Analysis

Martin Marietta
Materials, Inc.

2/4/2016



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	\$8,033,814,292	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.85	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	-38.83%	Fail
6. Moderate PEmg Ratio	PEmg < 20	41.58	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.97	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	2.85	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.46	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.00
MG Growth Estimate	3.03%
MG Value	\$43.68
MG Value based on 3% Growth	\$43.51
MG Value based on 0% Growth	\$25.51
Market Implied Growth Rate	16.54%

MG Opinion

Current Price	\$124.76
% of Intrinsic Value	285.64%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$23.03
Graham Number	\$77.75
PEmg	41.58
Current Ratio	2.85
PB Ratio	1.97
Dividend Yield	1.28%
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	\$4.18	Next Fiscal Year Estimate	\$3.00
Dec2014	\$2.71	Dec2014	\$2.34
Dec2013	\$2.61	Dec2013	\$2.12
Dec2012	\$1.83	Dec2012	\$2.04
Dec2011	\$1.78	Dec2011	\$2.50
Dec2010	\$2.10	Dec2010	\$3.21
Dec2009	\$1.91	Dec2009	\$3.94
Dec2008	\$4.18	Dec2008	\$4.79
Dec2007	\$6.06	Dec2007	\$4.73
Dec2006	\$5.29	Dec2006	\$3.76
Dec2005	\$4.08	Dec2005	\$2.83
Dec2004	\$2.66	Dec2004	\$2.20
Dec2003	\$1.91	Dec2003	\$2.04
Dec2002	\$1.77	Dec2002	\$2.17
Dec2001	\$2.19	Dec2001	\$2.38
Dec2000	\$2.39	Dec2000	\$2.41
Dec1999	\$2.68	Dec1999	\$2.21
Dec1998	\$2.48	Balance Sheet Information Sep2015	
Dec1997	\$2.13	Total Current Assets	\$1,641,971,000
Dec1996	\$1.71	Total Current Liabilities	\$575,392,000
Dec1995	\$0.00	Long-Term Debt	\$1,557,616,000
		Total Assets	\$7,438,448,000
		Intangible Assets	\$2,131,200,000
		Total Liabilities	\$3,187,566,000
		Shares Outstanding (Diluted Average)	67,108,000





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

[Martin Marietta Materials Inc. Valuation – October 2015 Update \\$MLM](#)
[Martin Marietta Materials Inc. Analysis – Initial Coverage \\$MLM](#)

Other
ModernGraham
posts about related
companies

[Fluor Corp Valuation – February 2016 Update \\$FLR](#)
[Jacobs Engineering Group Inc Valuation – January 2016 Update \\$JEC](#)
[Lowe's Companies Inc Valuation – January 2016 Update \\$LOW](#)
[PulteGroup Inc Valuation – January 2016 Update \\$PHM](#)
[Flowserve Corp Valuation – November 2015 Update \\$FLS](#)
[Lennar Corporation Valuation – November 2015 Update \\$LEN](#)
[Home Depot Inc. Valuation – November 2015 Update \\$HD](#)
[Quanta Services Inc. Valuation – October 2015 Update \\$PWR](#)
[Fluor Corporation Valuation – October 2015 Update \\$FLR](#)
[Martin Marietta Materials Inc. Valuation – October 2015 Update \\$MLM](#)