

ModernGraham Valuation

Company Name:

Company Ticker MAR
Date of Analysis

Marriott International
Inc

7/18/2016



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	\$17,831,870,037	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.44	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	434.48%	Pass
6. Moderate PEmg Ratio	PEmg < 20	24.00	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-4.88	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	0.44	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.12	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	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.93
MG Growth Estimate	15.00%
MG Value	\$112.91
MG Value based on 3% Growth	\$42.52
MG Value based on 0% Growth	\$24.93
Market Implied Growth Rate	7.75%

MG Opinion

Current Price	\$70.39
% of Intrinsic Value	62.34%
Opinion	Undervalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$32.88
Graham Number	\$0.00
PEmg	24.00
Current Ratio	0.44
PB Ratio	-4.88
Current Dividend	\$1.00
Dividend Yield	1.42%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.61	Next Fiscal Year Estimate	\$2.93
Dec2015	\$3.15	Dec2015	\$2.39
Dec2014	\$2.54	Dec2014	\$1.88
Dec2013	\$2.00	Dec2013	\$1.33
Dec2012	\$1.72	Dec2012	\$0.90
Dec2011	\$0.55	Dec2011	\$0.56
Dec2010	\$1.21	Dec2010	\$0.66
Dec2009	-\$0.97	Dec2009	\$0.57
Dec2008	\$0.98	Dec2008	\$1.34
Dec2007	\$1.73	Dec2007	\$1.47
Dec2006	\$1.40	Dec2006	\$1.26
Dec2005	\$1.43	Dec2005	\$1.11
Dec2004	\$1.23	Dec2004	\$0.91
Dec2003	\$1.01	Dec2003	\$0.75
Dec2002	\$0.54	Dec2002	\$0.64
Dec2001	\$0.46	Dec2001	\$0.69
Dec2000	\$0.94	Dec2000	\$0.73
Dec1999	\$0.75	Balance Sheet Information 3/1/2016	
Dec1998	\$0.72	Total Current Assets	\$1,424,000,000
Dec1997	\$0.59	Total Current Liabilities	\$3,247,000,000
Dec1996	\$0.00	Long-Term Debt	\$3,859,000,000
		Total Assets	\$6,121,000,000
		Intangible Assets	\$2,414,000,000
		Total Liabilities	\$9,788,000,000
		Shares Outstanding (Diluted Average)	254,400,000





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.

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