

ModernGraham Valuation

Company Name:

Company Ticker MRO
Date of Analysis

Marathon Oil
Corporation

7/12/2016



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	\$13,002,773,459	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.14	Pass
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	-101.89%	Fail
6. Moderate PEmg Ratio	PEmg < 20	753.87	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.59	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	2.14	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.18	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

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.02
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$0.30
MG Value based on 0% Growth	\$0.18
Market Implied Growth Rate	372.69%

MG Opinion

Current Price	\$15.58
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

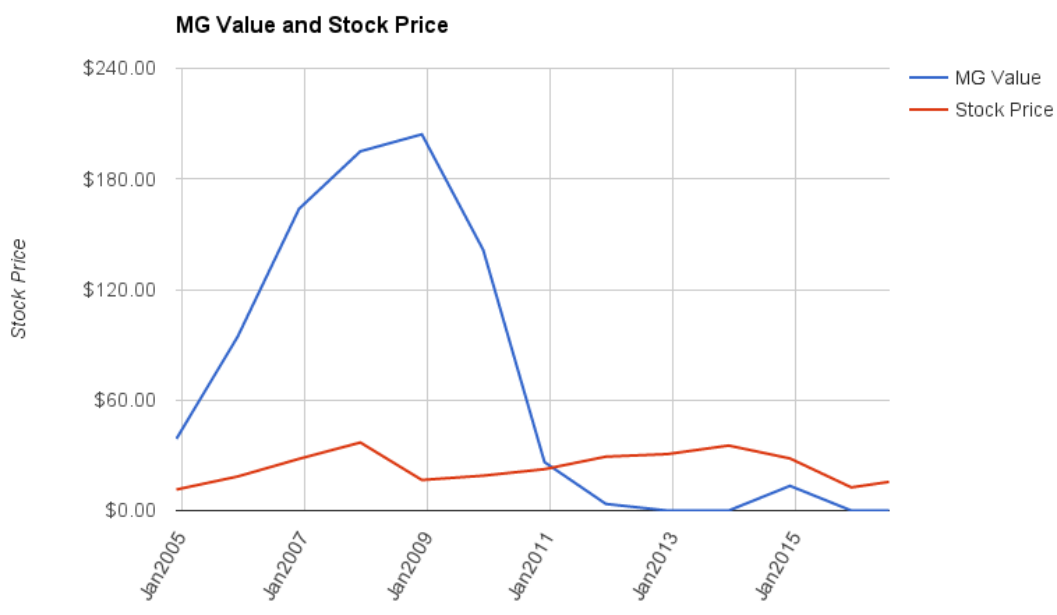
Net Current Asset Value (NCAV)	-\$14.04
Graham Number	\$0.00
PEmg	753.87
Current Ratio	2.14
PB Ratio	0.59
Current Dividend	\$0.52
Dividend Yield	3.34%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$1.44	Next Fiscal Year Estimate	\$0.02
Dec2015	-\$3.26	Dec2015	\$1.17
Dec2014	\$4.46	Dec2014	\$3.38
Dec2013	\$2.47	Dec2013	\$2.86
Dec2012	\$2.23	Dec2012	\$3.17
Dec2011	\$4.13	Dec2011	\$3.79
Dec2010	\$3.61	Dec2010	\$3.98
Dec2009	\$2.06	Dec2009	\$4.39
Dec2008	\$4.95	Dec2008	\$5.30
Dec2007	\$5.69	Dec2007	\$5.06
Dec2006	\$7.25	Dec2006	\$4.25
Dec2005	\$4.22	Dec2005	\$2.45
Dec2004	\$1.87	Dec2004	\$1.43
Dec2003	\$2.13	Dec2003	\$1.12
Dec2002	\$0.83	Dec2002	\$0.64
Dec2001	\$0.20	Dec2001	\$0.62
Dec2000	\$0.70	Dec2000	\$0.88
Dec1999	\$0.87	Balance Sheet Information 3/1/2016	
Dec1998	\$0.86	Total Current Assets	\$3,268,000,000
Dec1997	\$1.25	Total Current Liabilities	\$1,526,000,000
Dec1996	\$1.18	Long-Term Debt	\$7,280,000,000
		Total Assets	\$32,868,000,000
		Intangible Assets	\$115,000,000
		Total Liabilities	\$13,517,000,000
		Shares Outstanding (Diluted Average)	730,000,000





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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