# **ModernGraham Valuation**

## **Company Name:**

Martin Marietta Materials, Inc.



Company Ticker Date of Analysis

8/7/2016

#### 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.

5. Earnings Growth

MLM

<ol> <li>Adequ</li> </ol>	uate Size of the Enterprise	Market Cap > \$2Bil	\$12,572,246,422 Pass
2. Suffic	iently Strong Financial Condition	Current Ratio > 2	1.86 Fail
3. Earnir	ngs Stability	Positive EPS for 10 years prior	Pass
4. Divide	end 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 13.89% Fail 44.64 Fail

6. Moderate PEmg Ratio 7. Moderate Price to Assets PB Ratio < 2.5 OR PB\*PEmg < 50 3.15 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 1.86 Pass 2. Sufficiently Strong Financial Condition Debt to NCA < 1.1 2.96 Fail Positive EPS for 5 years prior 3. Earnings Stability Pass 4. Dividend Record Currently Pays Dividend Pass 5. Earnings Growth EPSmg greater than 5 years ago Pass

Suitability

MG Opinion

Defensive No Enterprising Yes

### Stage 2: Determination of Intrinsic Value

EPSmg	\$4.44
MG Growth Estimate	15.00%
MG Value	\$171.04
MG Value based on 3% Growth	\$64.42
MG Value based on 0% Growth	\$37.76
Market Implied Growth Rate	18.07%
Current Price	\$198.31
% of Intrinsic Value	115.94%

Opinion Overvalued

MG Grade C-

#### Stage 3: Information for Further Research

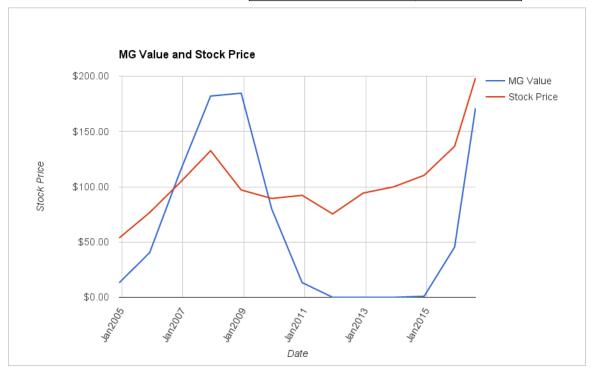
Net Current Asset Value (NCAV)	-\$32.88
Graham Number	\$98.75
PEmg	44.64
Current Ratio	1.86
PB Ratio	3.15
Current Dividend	\$1.60
Dividend Yield	0.81%
Number of Consecutive Years of Dividend Growth	0

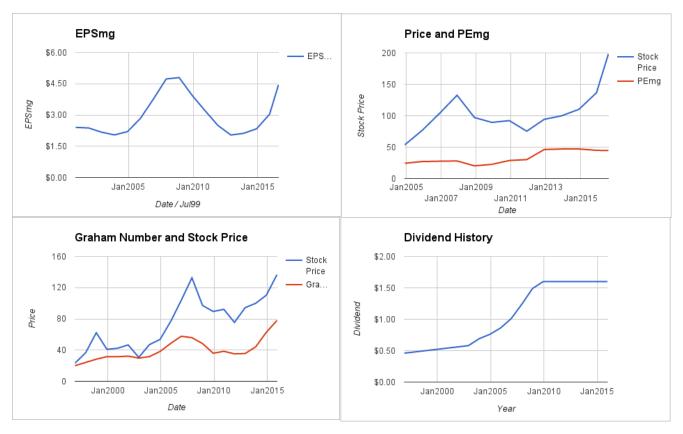
Useful Links: ModernGraham tagged articles

Google Finance
Yahoo Finance
GuruFocus

Morningstar
MSN Money
Seeking Alpha
SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.86	Next Fiscal Year Estimate	\$4.44
Dec2015	\$4.29	Dec2015	\$3.04
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	\$3.95
Dec2008	\$4.20	Dec2008	\$4.80
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	Balance Sheet Information	6/1/2016
Dec1998	\$2.48	Total Current Assets	\$1,121,929,000
Dec1997	\$2.13	Total Current Liabilities	\$601,604,000
Dec1996	\$1.71	Long-Term Debt	\$1,541,062,000
		Total Assets	\$7,233,305,000
		Intangible Assets	\$2,201,110,000
		Total Liabilities	\$3,219,853,000
		Shares Outstanding (Diluted Average)	63,802,000





#### 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 – February 2016 Update \$MLM
Martin Marietta Materials Inc. Valuation – October 2015 Update \$MLM
Martin Marietta Materials Inc. Valuation – October 2015 Update \$MLM
Martin Marietta Materials Inc. Analysis – Initial Coverage \$MLM

Other ModernGraham posts about related companies

Fluor Corporation Valuation – August 2016 \$FLR

Vulcan Materials Co Valuation – July 2016 \$VMC

PulteGroup Inc Valuation – July 2016 \$PHM

Sherwin-Williams Co Valuation – July 2016 \$SHW

Cummins Inc Valuation – July 2016 \$CMI

Corning Inc Valuation – May 2016 \$GLW

Flowserve Corporation Valuation - May 2016 \$FLS

Lennar Corporation Valuation – May 2016 \$LEN

Quanta Services Inc Valuation – February 2016 \$PWR

Martin Marietta Materials Inc Valuation – February 2016 Update \$MLM