

ModernGraham Valuation



Company Name:

Marathon Petroleum Corp

Company Ticker MPC

Date of Analysis

8/29/2016

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 | \$22,334,570,734 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 1.52 | Fail |
| 3. Earnings Stability | Positive EPS for 10 years prior | | Fail |
| 4. Dividend Record | Dividend Payments for 10 years prior | | Fail |
| 5. Earnings Growth | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | 38243.33% | Pass |
| 6. Moderate PEmg Ratio | PEmg < 20 | 11.52 | Pass |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.66 | 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 | 1.52 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 3.13 | 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 | \$3.67 |
| MG Growth Estimate | 5.30% |
| MG Value | \$70.15 |
| MG Value based on 3% Growth | \$53.22 |
| MG Value based on 0% Growth | \$31.20 |
| Market Implied Growth Rate | 1.51% |

MG Opinion

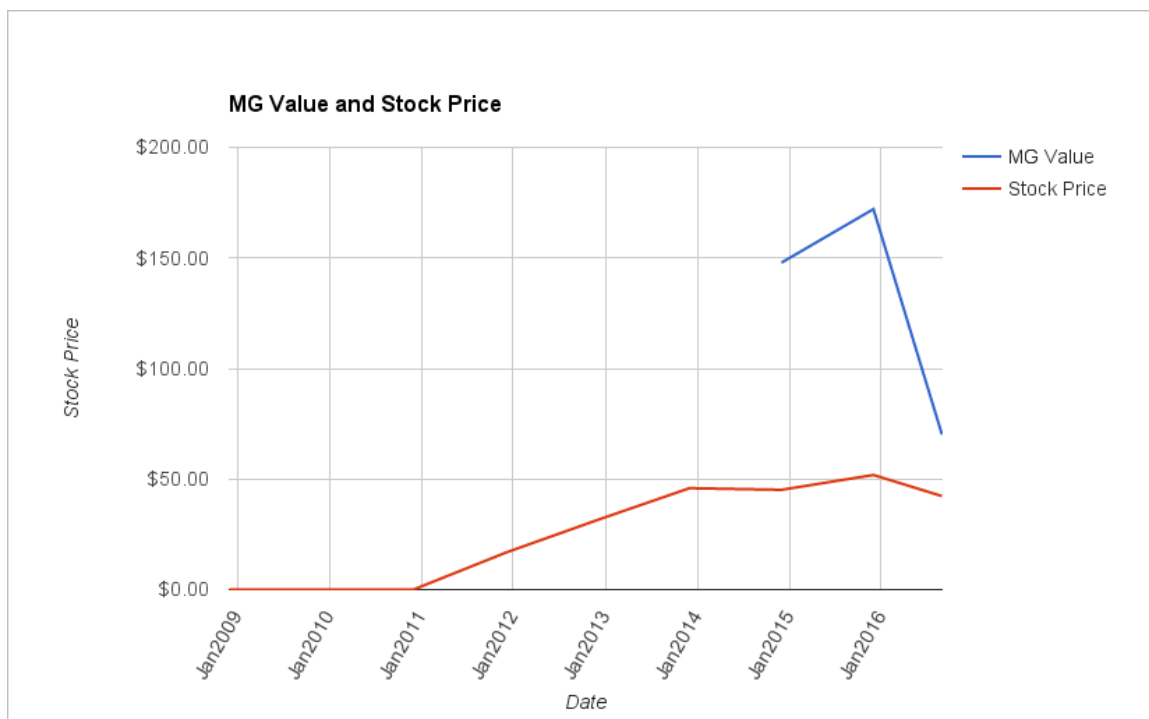
| | |
|----------------------|--------------------|
| Current Price | \$42.29 |
| % of Intrinsic Value | 60.29% |
| Opinion | Undervalued |
| MG Grade | B |

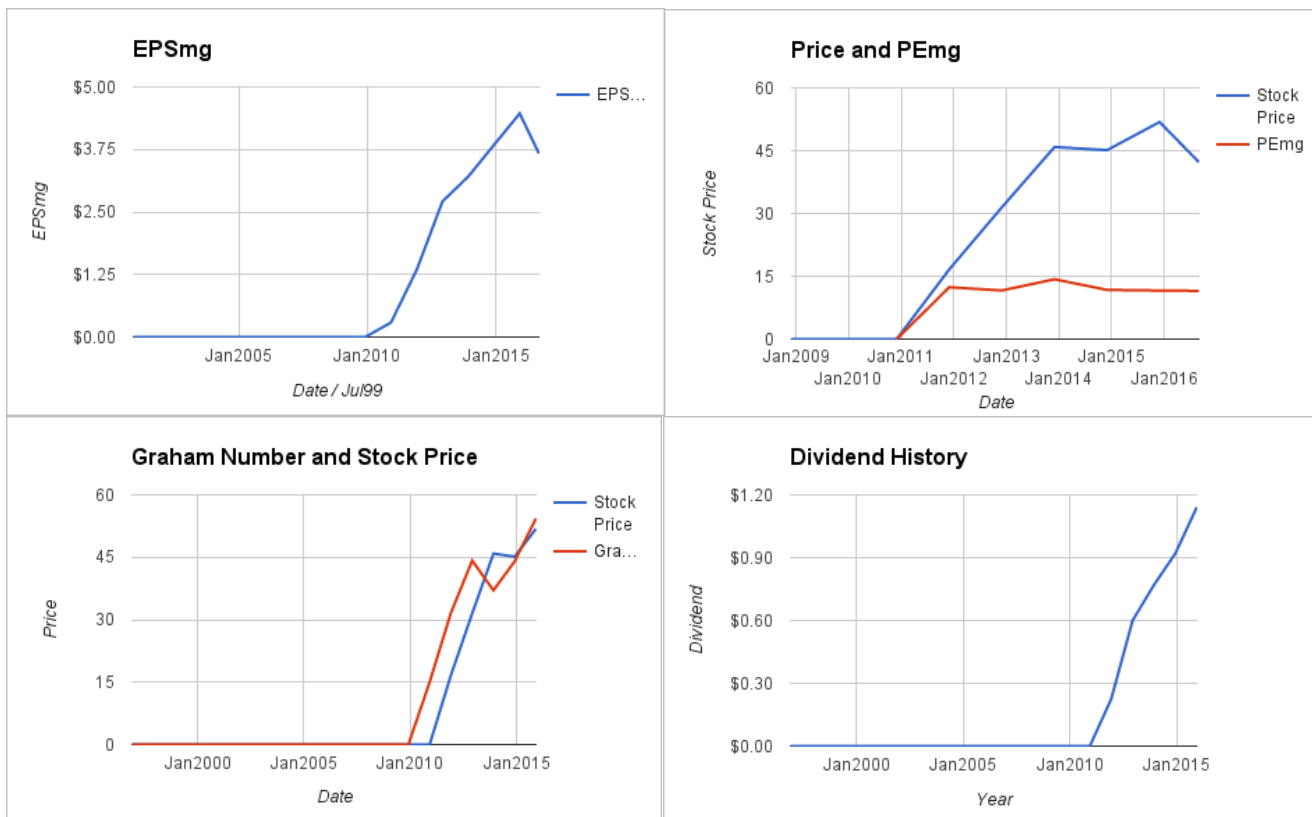
Stage 3: Information for Further Research

| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$38.30 |
| Graham Number | \$32.64 |
| PEmg | 11.52 |
| Current Ratio | 1.52 |
| PB Ratio | 1.66 |
| Current Dividend | \$1.28 |
| Dividend Yield | 3.03% |
| Number of Consecutive Years of Dividend Growth | 6 |

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[Google Finance](#) [MSN Money](#)
[Yahoo Finance](#) [Seeking Alpha](#)
[GuruFocus](#) [SEC Filings](#)

| EPS History | | EPSmg History | |
|---------------------------|--------|--------------------------------------|------------------|
| Next Fiscal Year Estimate | \$1.85 | Next Fiscal Year Estimate | \$3.67 |
| Dec2015 | \$5.26 | Dec2015 | \$4.47 |
| Dec2014 | \$4.39 | Dec2014 | \$3.84 |
| Dec2013 | \$3.32 | Dec2013 | \$3.21 |
| Dec2012 | \$4.95 | Dec2012 | \$2.71 |
| Dec2011 | \$3.34 | Dec2011 | \$1.34 |
| Dec2010 | \$0.87 | Dec2010 | \$0.29 |
| Dec2009 | \$0.00 | Dec2009 | \$0.00 |
| Dec2008 | \$0.00 | Dec2008 | \$0.00 |
| Dec2007 | \$0.00 | Dec2007 | \$0.00 |
| Dec2006 | \$0.00 | Dec2006 | \$0.00 |
| Dec2005 | \$0.00 | Dec2005 | \$0.00 |
| Dec2004 | \$0.00 | Dec2004 | \$0.00 |
| Dec2003 | \$0.00 | Dec2003 | \$0.00 |
| Dec2002 | \$0.00 | Dec2002 | \$0.00 |
| Dec2001 | \$0.00 | Dec2001 | \$0.00 |
| Dec2000 | \$0.00 | Dec2000 | \$0.00 |
| Dec1999 | \$0.00 | Balance Sheet Information | |
| Dec1998 | \$0.00 | 6/1/2016 | |
| Dec1997 | \$0.00 | Total Current Assets | \$10,304,000,000 |
| Dec1996 | \$0.00 | Total Current Liabilities | \$6,782,000,000 |
| | | Long-Term Debt | \$11,032,000,000 |
| | | Total Assets | \$44,133,000,000 |
| | | Intangible Assets | \$3,648,000,000 |
| | | Total Liabilities | \$30,643,000,000 |
| | | Shares Outstanding (Diluted Average) | 531,000,000 |





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.

Recommended Reading:

Other ModernGraham posts about the company

- [Marathon Petroleum Corporation Analysis – 2015 Update \\$MPC](#)
- [28 Companies in the Spotlight This Week – 11/1/14](#)
- [Marathon Petroleum Corporation Annual Valuation – 2014 \\$MPC](#)

Other ModernGraham posts about related companies

- [Magellan Midstream Partners LP Valuation – August 2016 \\$MMP](#)
- [Enco PLC Valuation – August 2016 \\$ESV](#)
- [Enterprise Products Partners LP Valuation – August 2016 \\$EPD](#)
- [Tidewater Inc Valuation – August 2016 \\$TDW](#)
- [Occidental Petroleum Corp Valuation – August 2016 \\$OXY](#)
- [Valero Energy Corporation – August 2016 \\$VLO](#)
- [Chevron Corp Valuation – August 2016 \\$CVX](#)
- [Exxon Mobil Corporation Valuation – August 2016 \\$XOM](#)
- [National-Oilwell Varco Inc Valuation – August 2016 \\$NOV](#)
- [Newfield Exploration Co Valuation – August 2016 \\$NFX](#)