

# ModernGraham Valuation

Company Name:

Mattel, Inc.

Company Ticker MAT

Date of Analysis

6/28/2017



## 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	\$7,094,369,290	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.69	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend 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	-24.31%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	16.42	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.20	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	1.69	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.98	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 Score		Fail

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.26
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$18.27
MG Value based on 0% Growth	\$10.71
Market Implied Growth Rate	3.96%

### MG Opinion

Current Price	\$20.69
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

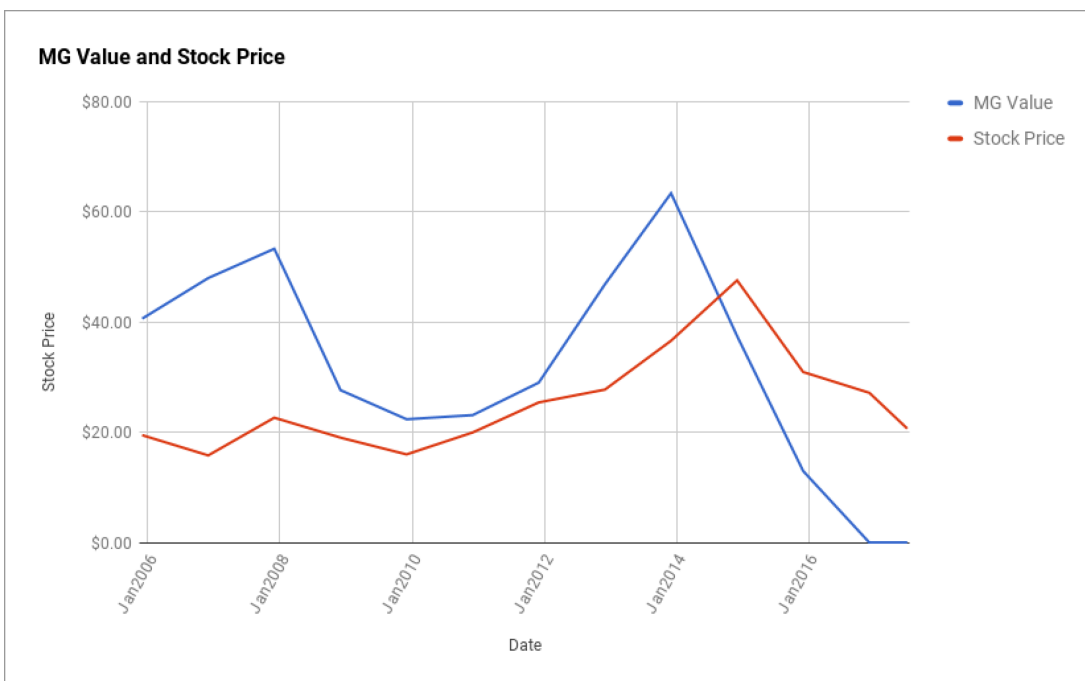
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$4.03
Graham Number	\$14.34
PEmg	16.42
Current Ratio	1.69
PB Ratio	3.20
Current Dividend	\$1.52
Dividend Yield	7.35%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2016	\$1.30	Dec2016	\$1.26
Dec2015	\$0.92	Dec2015	\$1.38
Dec2014	\$1.08	Dec2014	\$1.70
Dec2013	\$1.45	Dec2013	\$2.03
Dec2012	\$2.58	Dec2012	\$2.23
Dec2011	\$2.22	Dec2011	\$1.96
Dec2010	\$2.18	Dec2010	\$1.76
Dec2009	\$1.86	Dec2009	\$1.52
Dec2008	\$1.45	Dec2008	\$1.34
Dec2007	\$1.05	Dec2007	\$1.29
Dec2006	\$1.54	Dec2006	\$1.38
Dec2005	\$1.53	Dec2005	\$1.25
Dec2004	\$1.01	Dec2004	\$1.06
Dec2003	\$1.35	Dec2003	\$0.90
Dec2002	\$1.22	Dec2002	\$0.53
Dec2001	\$0.52	Dec2001	\$0.16
Dec2000	\$0.68	Dec2000	-\$0.05
Dec1999	-\$1.01	<b>Balance Sheet Information</b>	
Dec1998	-\$0.20	<b>3/1/2017</b>	
Dec1997	\$0.47	Total Current Assets	\$2,321,365,000
	-\$0.52	Total Current Liabilities	\$1,371,044,000
		Long-Term Debt	\$1,884,982,000
		Total Assets	\$5,920,929,000
		Intangible Assets	\$2,049,255,000
		Total Liabilities	\$3,704,988,000
		Shares Outstanding (Diluted Average)	342,914,000





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

[Mattel Inc Valuation – January 2016 Update \\$MAT](#)  
[Mattel Inc. Analysis – September 2015 Update \\$MAT](#)  
[30 Companies in the Spotlight This Week – 5/23/15](#)  
[Mattel Inc. Quarterly Valuation – May 2015 \\$MAT](#)  
[10 Companies Benjamin Graham Would Invest In Today – May 2015](#)

Other  
ModernGraham  
posts about related  
companies

[Hasbro Inc Valuation – July 2016 \\$HAS](#)  
[Electronic Arts Inc Valuation – May 2016 \\$EA](#)  
[Mattel Inc Valuation – January 2016 Update \\$MAT](#)  
[Hasbro Inc Valuation – January 2016 Update \\$HAS](#)  
[Mattel Inc. Analysis – September 2015 Update \\$MAT](#)  
[Hasbro Inc. Analysis – August 2015 Update \\$HAS](#)  
[Mattel Inc. Quarterly Valuation – May 2015 \\$MAT](#)  
[Hasbro Inc. Quarterly Valuation – February 2015 \\$HAS](#)  
[Mattel Inc. Quarterly Valuation – February 2015 \\$MAT](#)  
[Electronic Arts Inc. Annual Valuation – 2015 \\$EA](#)