

ModernGraham Valuation

Lockheed Martin
Corporation



Company Name:

Company Ticker LMT

Date of Analysis

2/28/2018

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	\$100,646,579,793	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.38	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	66.34%	Pass
6. Moderate PEmg Ratio	PEmg < 20	28.47	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-148.87	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	1.38	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.80	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		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$12.38
MG Growth Estimate	4.75%
MG Value	\$222.73
MG Value based on 3% Growth	\$179.52
MG Value based on 0% Growth	\$105.24
Market Implied Growth Rate	9.98%

MG Opinion

Current Price	\$352.44
% of Intrinsic Value	158.23%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

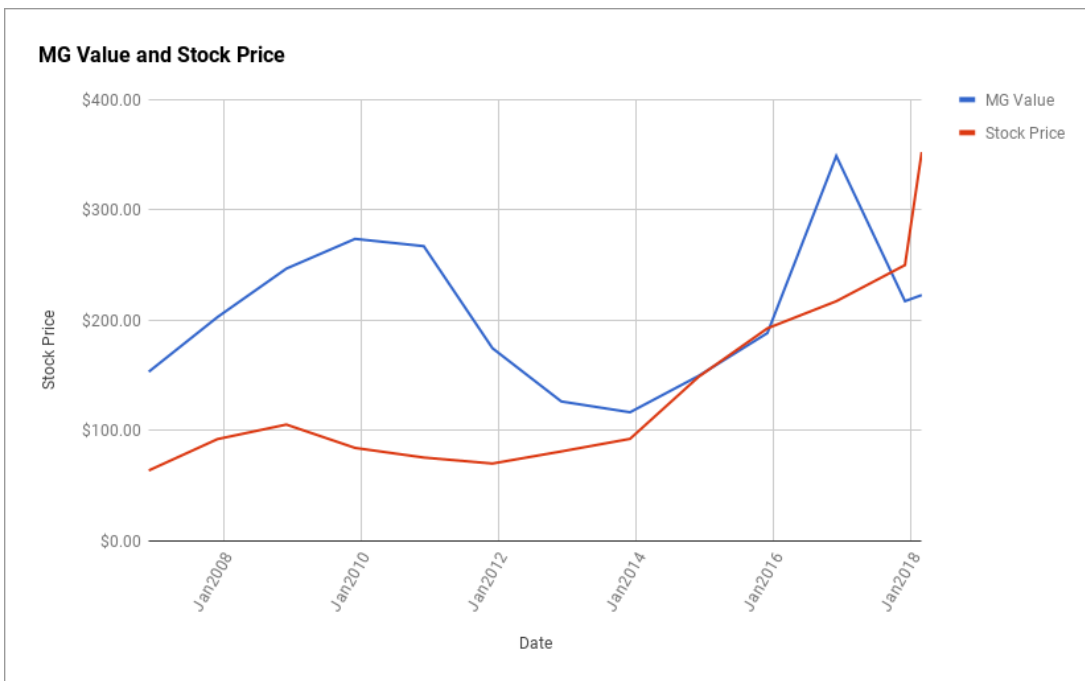
Net Current Asset Value (NCAV)	-\$103.10
Graham Number	\$0.00
PEmg	28.47
Current Ratio	1.38
PB Ratio	-148.87
Current Dividend	\$7.46
Dividend Yield	2.12%
Number of Consecutive Years of Dividend Growth	15

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$14.31	Next Fiscal Year Estimate	\$12.38
Dec2017	\$6.89	Dec2017	\$11.36
Dec2016	\$17.49	Dec2016	\$12.90
Dec2015	\$11.46	Dec2015	\$10.27
Dec2014	\$11.21	Dec2014	\$9.41
Dec2013	\$9.13	Dec2013	\$8.39
Dec2012	\$8.36	Dec2012	\$7.97
Dec2011	\$7.81	Dec2011	\$7.74
Dec2010	\$7.81	Dec2010	\$7.55
Dec2009	\$7.64	Dec2009	\$7.11
Dec2008	\$7.86	Dec2008	\$6.41
Dec2007	\$7.10	Dec2007	\$5.27
Dec2006	\$5.80	Dec2006	\$3.98
Dec2005	\$4.10	Dec2005	\$2.57
Dec2004	\$2.83	Dec2004	\$1.38
Dec2003	\$2.34	Dec2003	\$0.48
Dec2002	\$1.11	Dec2002	-\$0.23
Dec2001	-\$2.45	Balance Sheet Information 12/1/2017	
Dec2000	-\$1.29	Total Current Assets	\$17,461,000,000
Dec1999	\$0.99	Total Current Liabilities	\$12,637,000,000
Dec1998	\$2.63	Long-Term Debt	\$13,513,000,000
		Total Assets	\$46,521,000,000
		Intangible Assets	\$14,604,000,000
		Total Liabilities	\$47,204,000,000
		Shares Outstanding (Diluted Average)	288,500,000





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

- [34 Companies in the Spotlight This Week – 2/7/15](#)
- [Lockheed Martin Corporation Annual Valuation – 2015 \\$LMT](#)
- [14 Companies in the Spotlight This Week – 1/25/14](#)
- [Lockheed Martin Corporation \(LMT\) Annual Valuation](#)

Other ModernGraham posts about related companies

- [Triumph Group Inc Valuation – Initial Coverage \\$TGI](#)
- [Raytheon Company Valuation – April 2017 \\$RTN](#)
- [General Dynamics Corp Valuation – March 2017 \\$GD](#)
- [TASER International Inc Valuation – Initial Coverage \\$TASR](#)
- [Cubic Corporation Valuation – Initial Coverage \\$CUB](#)
- [Northrop Grumman Corp Valuation – February 2017 \\$NOC](#)
- [Rockwell Collins Inc Valuation – January 2017 \\$COL](#)
- [Raytheon Company Valuation – August 2016 \\$RTN](#)
- [Rockwell Collins Inc Valuation – August 2016 \\$COL](#)
- [L-3 Communications Holdings Inc Valuation – July 2016 \\$LLL](#)