

# ModernGraham Valuation

## Company Name:

Company Ticker MGM

Date of Analysis

3/5/2018

MGM Resorts  
International



### 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	\$19,163,775.717	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.77	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	-747.96%	Fail
6. Moderate PEmg Ratio	PEmg < 20	22.46	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.55	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	0.77	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-17.77	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 Score		Pass

#### Suitability

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

### Stage 2: Determination of Intrinsic Value

EPSmg	\$1.51
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$58.03</b>
MG Value based on 3% Growth	\$21.86
MG Value based on 0% Growth	\$12.81
Market Implied Growth Rate	6.98%

#### MG Opinion

Current Price	\$33.85
% of Intrinsic Value	58.33%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C-</b>

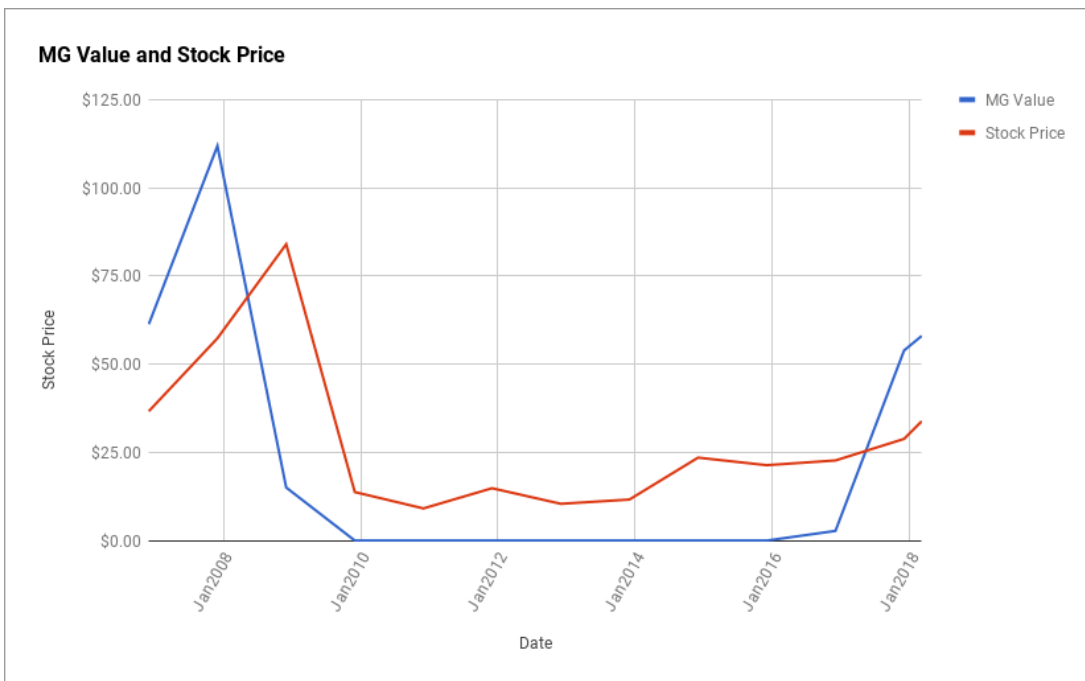
### Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$33.50
Graham Number	\$18.07
PEmg	22.46
Current Ratio	0.77
PB Ratio	2.55
Current Dividend	\$0.44
Dividend Yield	1.30%
Number of Consecutive Years of Dividend Growth	1

#### 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	\$1.08	Next Fiscal Year Estimate	\$1.51
Dec2017	\$3.35	Dec2017	\$1.40
Dec2016	\$1.92	Dec2016	\$0.07
Dec2015	-\$0.82	Dec2015	-\$0.53
Dec2014	-\$0.31	Dec2014	-\$0.38
Dec2013	-\$0.35	Dec2013	-\$0.61
Dec2012	-\$3.62	Dec2012	-\$1.00
Dec2011	\$5.62	Dec2011	\$0.29
Dec2010	-\$3.19	Dec2010	-\$1.73
Dec2009	-\$3.41	Dec2009	-\$0.49
Dec2008	-\$3.06	Dec2008	\$1.14
Dec2007	\$5.31	Dec2007	\$2.91
Dec2006	\$2.22	Dec2006	\$1.59
Dec2005	\$1.50	Dec2005	\$1.20
Dec2004	\$1.43	Dec2004	\$0.98
Dec2003	\$0.80	Dec2003	\$0.71
Dec2002	\$0.92	Dec2002	\$0.62
Dec2001	\$0.53	<b>Balance Sheet Information 12/1/2017</b>	
Dec2000	\$0.55	Total Current Assets	\$2,374,627,000
Dec1999	\$0.36	Total Current Liabilities	\$3,092,382,000
Dec1998	\$0.31	Long-Term Debt	\$12,751,052,000
		Total Assets	\$29,159,178,000
		Intangible Assets	\$5,684,491,000
		Total Liabilities	\$21,546,526,000
		Shares Outstanding (Diluted Average)	572,357,000





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

#N/A

Other  
ModernGraham  
posts about related  
companies

- [Wynn Resorts Ltd Valuation – March 2017 \\$WYNN](#)
- [Intertain Group Corp Valuation – Initial Coverage \\$TSE:IT](#)
- [Scientific Games Corp Valuation – Initial Coverage \\$SGMS](#)
- [Wynn Resorts Limited Valuation – August 2016 \\$WYNN](#)
- [Wynn Resorts Ltd Valuation – February 2016 \\$WYNN](#)
- [Wynn Resorts Limited Analysis – September 2015 Update \\$WYNN](#)
- [Wyndham Worldwide Corporation Analysis – August 2015 Update \\$WYN](#)
- [Wynn Resorts Analysis – June 2015 Update \\$WYNN](#)
- [International Game Technology Quarterly Valuation – March 2015 \\$IGT](#)
- [Wynn Resorts Limited Quarterly Valuation – March 2015 \\$WYNN](#)