ModernGraham Valuation

Company Name:

Marathon Oil

Company Ticker MRO Date of Analysis 3/26/2018



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.

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1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$13,824,028,886	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.30	Fail
3.	Earnings Stability	Positive EPS for 10 years prior		Fail
4.	Dividend Record	Dividend Payments for 10 years prior		Pass
		Increase of 33% in EPS in past 10 years using 3 year averages at		
5.	Earnings Growth	beginning and end	-195.31%	Fail
6.	Moderate PEmg Ratio	PEmg < 20	-6.63	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.18	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	1.30	Fail
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	9.19	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		Fail

Score

Suitability

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$2.45
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$35.58
MG Value based on 0% Growth	-\$20.86
Market Implied Growth Rate	-7.56%

Current Price

\$16.27 N/A

% of Intrinsic Value Opinion Overvalued MG Grade

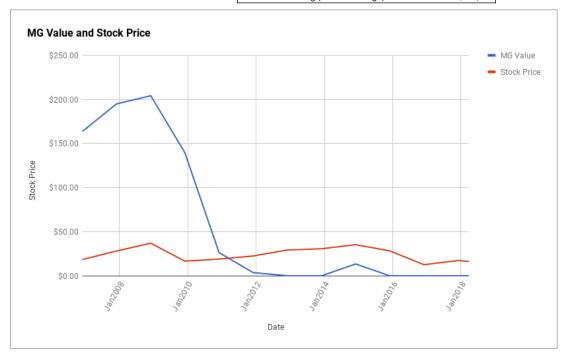
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.10
Graham Number	\$0.00
PEmg	-6.63
Current Ratio	1.30
PB Ratio	1.18
Current Dividend	\$0.20
Dividend Yield	1.23%
Number of Consecutive Years of Dividend	•
Growth	0

Useful Links: ModernGraham tagged articles

Morningstar Google Finance MSN Money Yahoo Finance Seeking Alpha **GuruFocus SEC Filings**

EPS History		EPSmg History	
Next Fiscal Year		l <u>_</u>	
Estimate	• • • • • • • • • • • • • • • • • • • •	Next Fiscal Year Estimate	-\$2.45
Dec2017	-\$6.73	Dec2017	-\$2.83
Dec2016	-\$2.61	Dec2016	-\$0.37
Dec2015	-\$3.26	Dec2015	\$1.17
Dec2014	\$4.46	Dec2014	\$3.38
Dec2013	\$2.47	Dec2013	\$2.86
Dec2012	\$2.23	Dec2012	\$3.17
Dec2011	\$4.13	Dec2011	\$3.79
Dec2010	\$3.61	Dec2010	\$3.98
Dec2009	\$2.06	Dec2009	\$4.39
Dec2008	\$4.95	Dec2008	\$5.30
Dec2007	\$5.69	Dec2007	\$5.06
Dec2006	\$7.25	Dec2006	\$4.25
Dec2005	\$4.22	Dec2005	\$2.47
Dec2004	\$1.86	Dec2004	\$1.47
Dec2003	\$2.13	Dec2003	\$1.18
Dec2002	\$0.83	Dec2002	\$0.72
Dec2001	\$0.53	Balance Sheet Information	12/1/2017
Dec2000	\$0.68	Total Current Assets	\$2,566,000,000
Dec1999	\$0.87	Total Current Liabilities	\$1,968,000,000
Dec1998	\$0.86	Long-Term Debt	\$5,494,000,000
		Total Assets	\$22,012,000,000
		Intangible Assets	\$115,000,000
		Total Liabilities	\$10,304,000,000
		Shares Outstanding (Diluted Average)	850,000,000





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 18 Companies in the Spotlight This Week – 3/21/15
Marathon Oil Corporation Annual Valuation – 2015 \$MRO
19 Companies in the Spotlight This Week – 3/15/14
Marathon Oil Corp (MRO) Annual Valuation

Other ModernGraham posts about related companies EQT Corporation Valuation – March 2018 \$EQT
Helmerich & Payne Inc Valuation – March 2018 \$HP
Chesapeake Energy Corp Valuation – March 2018 \$CHK
Williams Companies Inc Valuation – March 2018 \$WMB
Exxon Mobil Corp Valuation – February 2018 \$XOM

Chevron Corp Valuation – February 2018 \$CVX
Seven Generations Energy Ltd Valuation – Initial Coverage \$TSE:VII
Pioneer Natural Resources Valuation – September 2017 \$PXD
Gulfport Energy Corp Valuation – Initial Coverage \$GPOR
Schlumberger Limited Valuation – July 2017 \$SLB