

ModernGraham Valuation

Company Name:

Company Ticker MLM

Date of Analysis

Martin Marietta
Materials, Inc.

4/30/2018



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	\$12,202,862,167	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.79	Pass
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	346.11%	Pass
5. Earnings Growth	PEmg < 20	25.20	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.63	Fail
7. Moderate Price to Assets			

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	3.79	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.41	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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$7.73
MG Growth Estimate	15.00%
MG Value	\$297.55
MG Value based on 3% Growth	\$112.07
MG Value based on 0% Growth	\$65.69
Market Implied Growth Rate	8.35%

MG Opinion

Current Price	\$194.77
% of Intrinsic Value	65.46%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

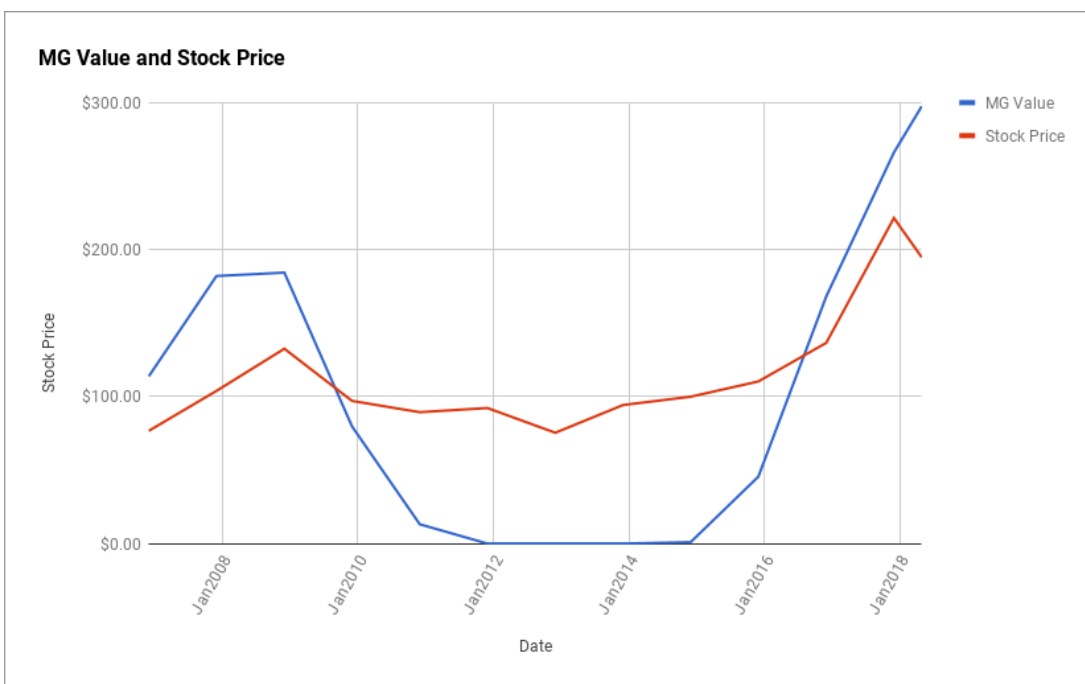
Net Current Asset Value (NCAV)	-\$26.60
Graham Number	\$115.39
PEmg	25.20
Current Ratio	3.79
PB Ratio	2.63
Current Dividend	\$1.72
Dividend Yield	0.88%
Number of Consecutive Years of Dividend Growth	2

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$7.95	Dec2017	\$7.73
Dec2016	\$11.25	Dec2016	\$6.91
Dec2015	\$6.63	Dec2015	\$4.37
Dec2014	\$4.29	Dec2014	\$3.04
Dec2013	\$2.71	Dec2013	\$2.34
Dec2012	\$2.61	Dec2012	\$2.12
Dec2011	\$1.83	Dec2011	\$2.04
Dec2010	\$1.78	Dec2010	\$2.50
Dec2009	\$2.10	Dec2009	\$3.21
Dec2008	\$1.91	Dec2008	\$3.94
Dec2007	\$4.18	Dec2007	\$4.79
Dec2006	\$6.06	Dec2006	\$4.73
Dec2005	\$5.29	Dec2005	\$3.76
Dec2004	\$4.08	Dec2004	\$2.83
Dec2003	\$2.66	Dec2003	\$2.20
Dec2002	\$1.91	Dec2002	\$2.04
Dec2001	\$1.77	Dec2001	\$2.17
Dec2000	\$2.19	Balance Sheet Information 12/1/2017	
Dec1999	\$2.39	Total Current Assets	\$2,631,160,000
Dec1998	\$2.68	Total Current Liabilities	\$694,216,000
	\$2.48	Long-Term Debt	\$2,727,294,000
		Total Assets	\$8,992,511,000
		Intangible Assets	\$2,227,523,000
		Total Liabilities	\$4,312,911,000
		Shares Outstanding (Diluted Average)	63,214,000





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

- [Martin Marietta Materials Inc Valuation – December 2016 \\$MLM](#)
- [Martin Marietta Materials Inc Valuation – August 2016 \\$MLM](#)
- [Martin Marietta Materials Inc Valuation – February 2016 Update \\$MLM](#)
- [Martin Marietta Materials Inc. Valuation – October 2015 Update \\$MLM](#)
- [Martin Marietta Materials Inc. Analysis – Initial Coverage \\$MLM](#)

Other ModernGraham posts about related companies

- [Fluor Corporation Valuation – April 2018 \\$FLR](#)
- [Lennar Corp Valuation – April 2018 \\$LEN](#)
- [Vulcan Materials Co Valuation – April 2018 \\$VMC](#)
- [PulteGroup Inc Valuation – March 2018 \\$PHM](#)
- [Sherwin-Williams Co Valuation – March 2018 \\$SHW](#)
- [Cummins Inc Valuation – March 2018 \\$CMI](#)
- [Johnson Controls International PLC Valuation – March 2018 \\$JCI](#)
- [Flowserve Corp Valuation – February 2018 \\$FLS](#)
- [Corning Inc Valuation – February 2018 \\$GLW](#)
- [Home Depot Inc Valuation – February 2018 \\$HD](#)