

ModernGraham Valuation

Marathon Petroleum
Corp



Company Name:

Company Ticker MPC

Date of Analysis

4/11/2018

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	\$35,114,403,425	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.28	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	182.05%	Pass
6. Moderate PEmg Ratio	PEmg < 20	17.60	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.61	Pass

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	1.28	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.22	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	\$4.21
MG Growth Estimate	1.43%
MG Value	\$47.77
MG Value based on 3% Growth	\$60.99
MG Value based on 0% Growth	\$35.75
Market Implied Growth Rate	4.55%

MG Opinion

Current Price	\$74.02
% of Intrinsic Value	154.97%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

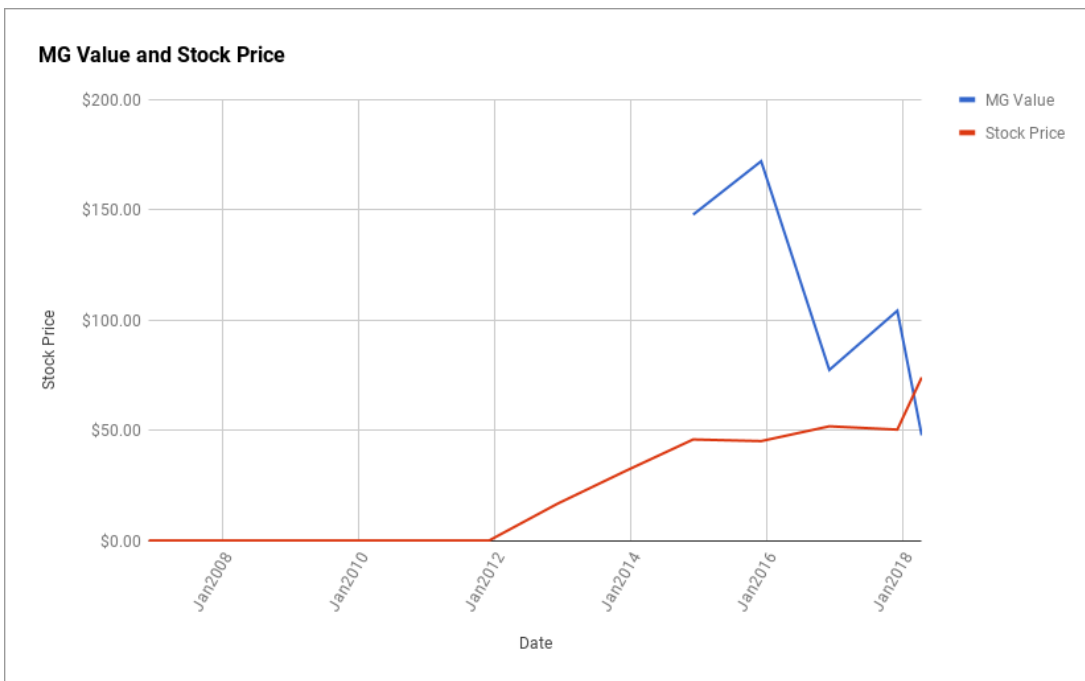
Net Current Asset Value (NCAV)	-\$43.75
Graham Number	\$43.78
PEmg	17.60
Current Ratio	1.28
PB Ratio	2.61
Current Dividend	\$1.52
Dividend Yield	2.05%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.95	Next Fiscal Year Estimate	\$4.21
Dec2017	\$6.70	Dec2017	\$4.68
Dec2016	\$2.21	Dec2016	\$3.79
Dec2015	\$5.26	Dec2015	\$4.47
Dec2014	\$4.39	Dec2014	\$3.84
Dec2013	\$3.32	Dec2013	\$3.21
Dec2012	\$4.95	Dec2012	\$2.71
Dec2011	\$3.34	Dec2011	\$1.34
Dec2010	\$0.87	Dec2010	\$0.29
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information 12/1/2017	
Dec2000	\$0.00	Total Current Assets	\$13,401,000,000
Dec1999	\$0.00	Total Current Liabilities	\$10,478,000,000
Dec1998	\$0.00	Long-Term Debt	\$12,322,000,000
		Total Assets	\$49,047,000,000
		Intangible Assets	\$3,586,000,000
		Total Liabilities	\$35,014,000,000
		Shares Outstanding (Diluted Average)	494,000,000





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

- [Marathon Petroleum Corporation Analysis – 2015 Update \\$MPC](#)
- [28 Companies in the Spotlight This Week – 11/1/14](#)
- [Marathon Petroleum Corporation Annual Valuation – 2014 \\$MPC](#)

Other ModernGraham posts about related companies

- [EOG Resources Inc Valuation – April 2018 \\$EOG](#)
- [ConocoPhillips Valuation – April 2018 \\$COP](#)
- [Devon Energy Corp Valuation – March 2018 \\$DVN](#)
- [Noble Energy Inc Valuation – March 2018 \\$NBL](#)
- [ONEOK Inc Valuation – March 2018 \\$OKE](#)
- [Marathon Oil Corp Valuation – March 2018 \\$MRO](#)
- [Hess Corp Valuation – March 2018 \\$HES](#)
- [Cimarex Energy Co Valuation – Initial Coverage \\$XEC](#)
- [EQT Corporation Valuation – March 2018 \\$EQT](#)
- [Helmerich & Payne Inc Valuation – March 2018 \\$HP](#)