

# ModernGraham Valuation

Company Name:

Masco Corp

Company Ticker MAS

Date of Analysis

5/6/2018



## 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	\$11,801,759,899	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.69	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 beginning and end	-207.51%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	20.74	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-166.59	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	1.69	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.43	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		Pass
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.85
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$71.15</b>
MG Value based on 3% Growth	\$26.80
MG Value based on 0% Growth	\$15.71
Market Implied Growth Rate	6.12%

### MG Opinion

Current Price	\$38.32
% of Intrinsic Value	53.86%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

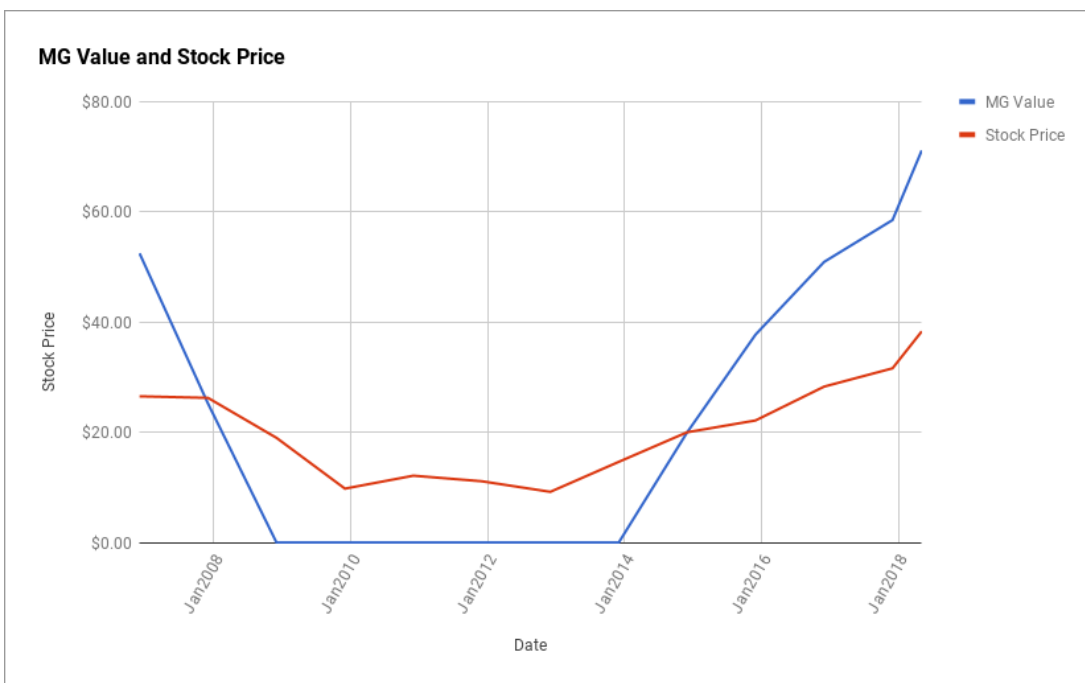
## Stage 3: Information for Further Research

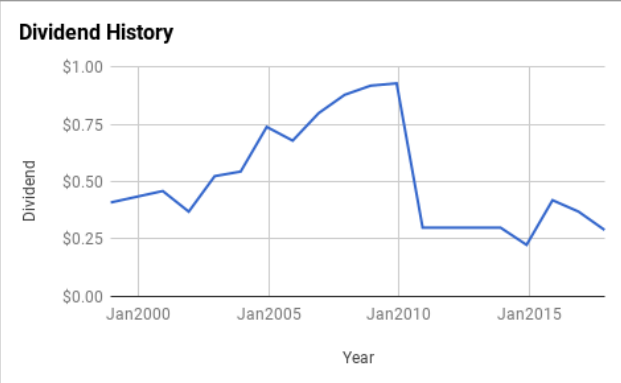
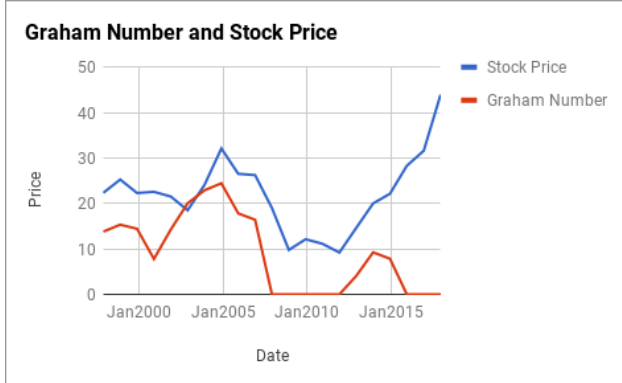
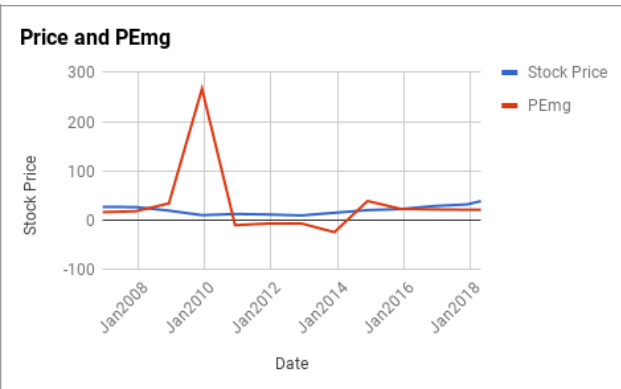
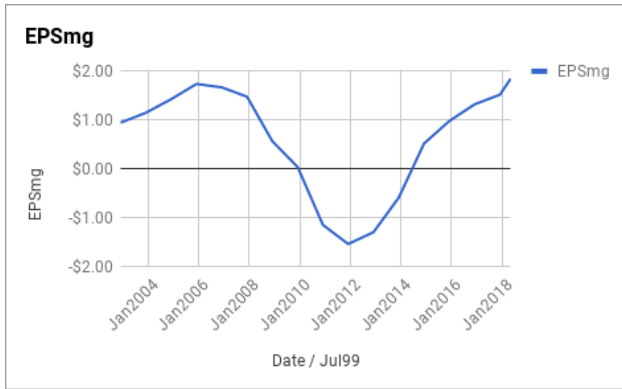
Net Current Asset Value (NCAV)	-\$8.65
Graham Number	\$0.00
PEmg	20.74
Current Ratio	1.69
PB Ratio	-166.59
Current Dividend	\$0.41
Dividend Yield	1.06%
Number of Consecutive Years of Dividend Growth	1

### 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	\$2.45	Next Fiscal Year Estimate	\$1.85
Dec2017	\$1.66	Dec2017	\$1.52
Dec2016	\$1.47	Dec2016	\$1.32
Dec2015	\$1.02	Dec2015	\$0.98
Dec2014	\$2.38	Dec2014	\$0.52
Dec2013	\$0.80	Dec2013	-\$0.59
Dec2012	-\$0.33	Dec2012	-\$1.30
Dec2011	-\$1.66	Dec2011	-\$1.54
Dec2010	-\$3.00	Dec2010	-\$1.15
Dec2009	-\$0.53	Dec2009	\$0.04
Dec2008	-\$1.13	Dec2008	\$0.56
Dec2007	\$1.03	Dec2007	\$1.48
Dec2006	\$1.22	Dec2006	\$1.67
Dec2005	\$2.19	Dec2005	\$1.74
Dec2004	\$1.96	Dec2004	\$1.43
Dec2003	\$1.65	Dec2003	\$1.15
Dec2002	\$1.01	Dec2002	\$0.95
Dec2001	\$0.35	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$1.31	Total Current Assets	\$2,993,000,000
Dec1999	\$1.28	Total Current Liabilities	\$1,770,000,000
Dec1998	\$1.26	Long-Term Debt	\$2,971,000,000
		Total Assets	\$5,630,000,000
		Intangible Assets	\$1,320,000,000
		Total Liabilities	\$5,702,000,000
		Shares Outstanding (Diluted Average)	313,000,000





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**

- [Masco Corp Valuation – January 2017 \\$MAS](#)
- [Masco Corporation Analysis – September 2015 Update \\$MAS](#)
- [Masco Corporation Annual Valuation – 2015 \\$MAS](#)
- [14 Companies in the Spotlight This Week – 4/12/14](#)
- [Masco Corporation \(MAS\) Annual Valuation – 2014](#)

**Other ModernGraham posts about related companies**

- [Martin Marietta Materials Inc Valuation – May 2018 \\$MLM](#)
- [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](#)