

ModernGraham Valuation

Main Street Capital
Corporation



Company Name:

Company Ticker MAIN

Date of Analysis

7/1/2018

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	\$2,270,334,307	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.36	Fail
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	28.00%	Fail
5. Earnings Growth	PEmg < 20	14.74	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.60	Pass
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	0.36	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-5.21	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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.58
MG Growth Estimate	-0.71%
MG Value	\$18.29
MG Value based on 3% Growth	\$37.43
MG Value based on 0% Growth	\$21.94
Market Implied Growth Rate	3.12%

MG Opinion

Current Price	\$38.06
% of Intrinsic Value	208.13%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.65
Graham Number	\$35.80
PEmg	14.74
Current Ratio	0.36
PB Ratio	1.60
Current Dividend	\$2.25
Dividend Yield	5.90%
Number of Consecutive Years of Dividend Growth	3

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$2.42	Dec2017	\$2.58
Dec2016	\$3.01	Dec2016	\$2.63
Dec2015	\$2.67	Dec2015	\$2.51
Dec2014	\$2.13	Dec2014	\$2.51
Dec2013	\$2.31	Dec2013	\$2.71
Dec2012	\$2.65	Dec2012	\$2.77
Dec2011	\$3.53	Dec2011	\$2.63
Dec2010	\$2.76	Dec2010	\$2.00
Dec2009	\$2.38	Dec2009	\$1.45
Dec2008	\$1.19	Dec2008	\$0.87
Dec2007	\$1.20	Dec2007	\$0.60
Dec2006	\$0.76	Dec2006	\$0.25
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 3/1/2018	
Dec2000	\$0.00	Total Current Assets	\$83,560,000
Dec1999	\$0.00	Total Current Liabilities	\$230,406,000
Dec1998	\$0.00	Long-Term Debt	\$765,482,000
		Total Assets	\$2,401,175,000
		Intangible Assets	\$0
		Total Liabilities	\$1,004,575,000
		Shares Outstanding (Diluted Average)	58,852,000





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.

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