

ModernGraham Valuation

Lockheed Martin
Corporation



Company Name:

Company Ticker LMT

Date of Analysis

1/2/2019

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	\$74,385,931,432	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.11	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	80.05%	Pass
6. Moderate PEmg Ratio	PEmg < 20	19.55	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	75.20	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	1.11	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.15	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	\$13.44
MG Growth Estimate	6.44%
MG Value	\$287.46
MG Value based on 3% Growth	\$194.94
MG Value based on 0% Growth	\$114.27
Market Implied Growth Rate	5.52%

MG Opinion

Current Price	\$262.83
% of Intrinsic Value	91.43%
Opinion	Fairly Valued
MG Grade	C-

Stage 3: Information for Further Research

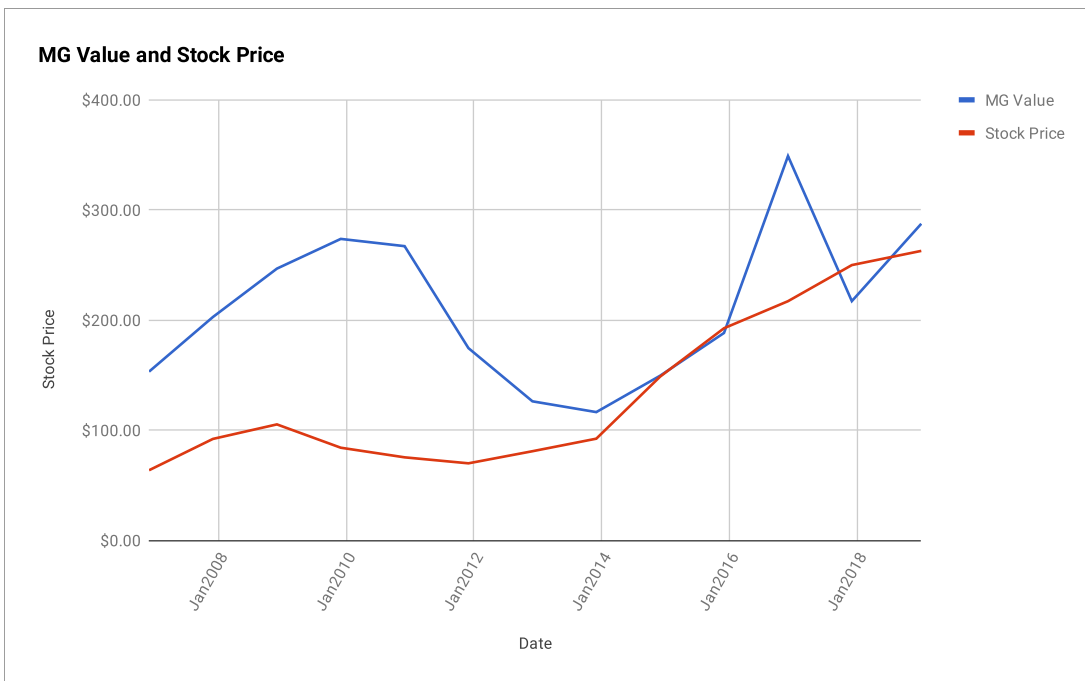
Net Current Asset Value (NCAV)	-\$96.39
Graham Number	\$0.00
PEmg	19.55
Current Ratio	1.11
PB Ratio	75.20
Current Dividend	\$7.46
Dividend Yield	2.84%
Number of Consecutive Years of Dividend Growth	15

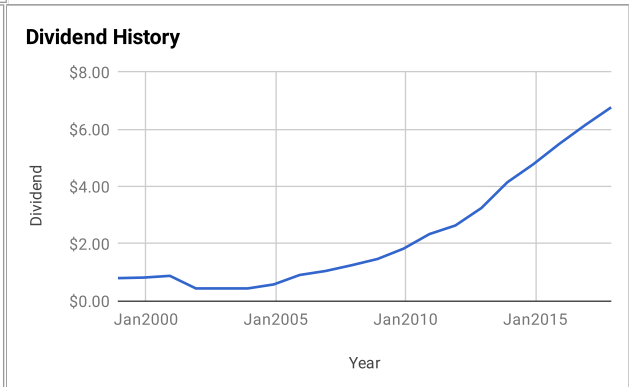
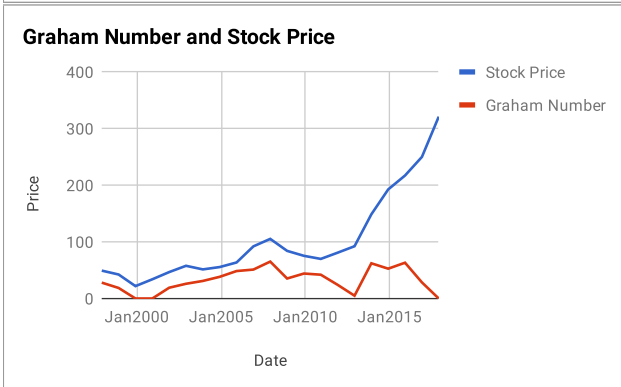
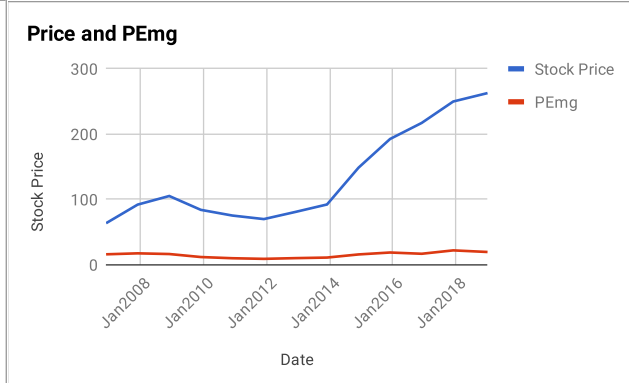
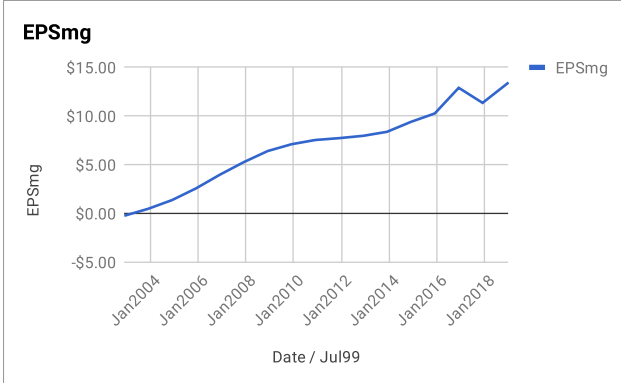
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$17.50	Next Fiscal Year Estimate	\$13.44
Dec2017	\$6.89	Dec2017	\$11.36
Dec2016	\$17.49	Dec2016	\$12.90
Dec2015	\$11.46	Dec2015	\$10.27
Dec2014	\$11.21	Dec2014	\$9.41
Dec2013	\$9.13	Dec2013	\$8.39
Dec2012	\$8.36	Dec2012	\$7.97
Dec2011	\$7.81	Dec2011	\$7.74
Dec2010	\$7.81	Dec2010	\$7.55
Dec2009	\$7.64	Dec2009	\$7.11
Dec2008	\$7.86	Dec2008	\$6.41
Dec2007	\$7.10	Dec2007	\$5.27
Dec2006	\$5.80	Dec2006	\$3.98
Dec2005	\$4.10	Dec2005	\$2.57
Dec2004	\$2.83	Dec2004	\$1.38
Dec2003	\$2.34	Dec2003	\$0.48
Dec2002	\$1.11	Dec2002	-\$0.23
Dec2001	-\$2.45	Balance Sheet Information 9/1/2018	
Dec2000	-\$1.29	Total Current Assets	\$16,859,000,000
Dec1999	\$0.99	Total Current Liabilities	\$15,204,000,000
Dec1998	\$2.63	Long-Term Debt	\$13,486,000,000
		Total Assets	\$45,495,000,000
		Intangible Assets	\$14,358,000,000
		Total Liabilities	\$44,493,000,000
		Shares Outstanding (Diluted Average)	286,700,000





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**
- [Lockheed Martin Corp Valuation – February 2018 \\$LMT](#)
 - [Lockheed Martin Corporation Valuation – June 2016 \\$LMT](#)
 - [34 Companies in the Spotlight This Week – 2/7/15](#)
 - [Lockheed Martin Corporation Annual Valuation – 2015 \\$LMT](#)
 - [14 Companies in the Spotlight This Week – 1/25/14](#)

- Other ModernGraham posts about related companies**
- [United Technologies Corp Valuation – November 2018 \\$UTX](#)
 - [Boeing Co Valuation – November 2018 \\$BA](#)
 - [Axon Enterprises Inc Valuation – October 2018 \\$AAXN](#)
 - [Cubic Corp Valuation – September 2018 \\$CUB](#)
 - [KLX Inc Valuation – August 2018 \\$KLXI](#)
 - [Kaman Corp Valuation – August 2018 \\$KAMN](#)
 - [Raytheon Co Valuation – June 2018 \\$RTN](#)
 - [General Dynamics Corp Valuation – June 2018 \\$GD](#)
 - [TransDigm Group Inc Valuation – June 2018 \\$TDG](#)
 - [Northrop Grumman Corp Valuation – May 2018 \\$NOC](#)