

ModernGraham Valuation

Marriott International
Inc



Company Name:

Company Ticker MAR

Date of Analysis

1/29/2019

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	\$37,827,905,491	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.46	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	1363.29%	Pass
5. Earnings Growth	PEmg < 20	28.80	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	16.73	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	0.46	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.68	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	\$3.85
MG Growth Estimate	15.00%
MG Value	\$148.23
MG Value based on 3% Growth	\$55.83
MG Value based on 0% Growth	\$32.73
Market Implied Growth Rate	10.15%

MG Opinion

Current Price	\$110.89
% of Intrinsic Value	74.81%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$53.35
Graham Number	\$35.23
PEmg	28.80
Current Ratio	0.46
PB Ratio	16.73
Current Dividend	\$1.29
Dividend Yield	1.16%
Number of Consecutive Years of Dividend Growth	8

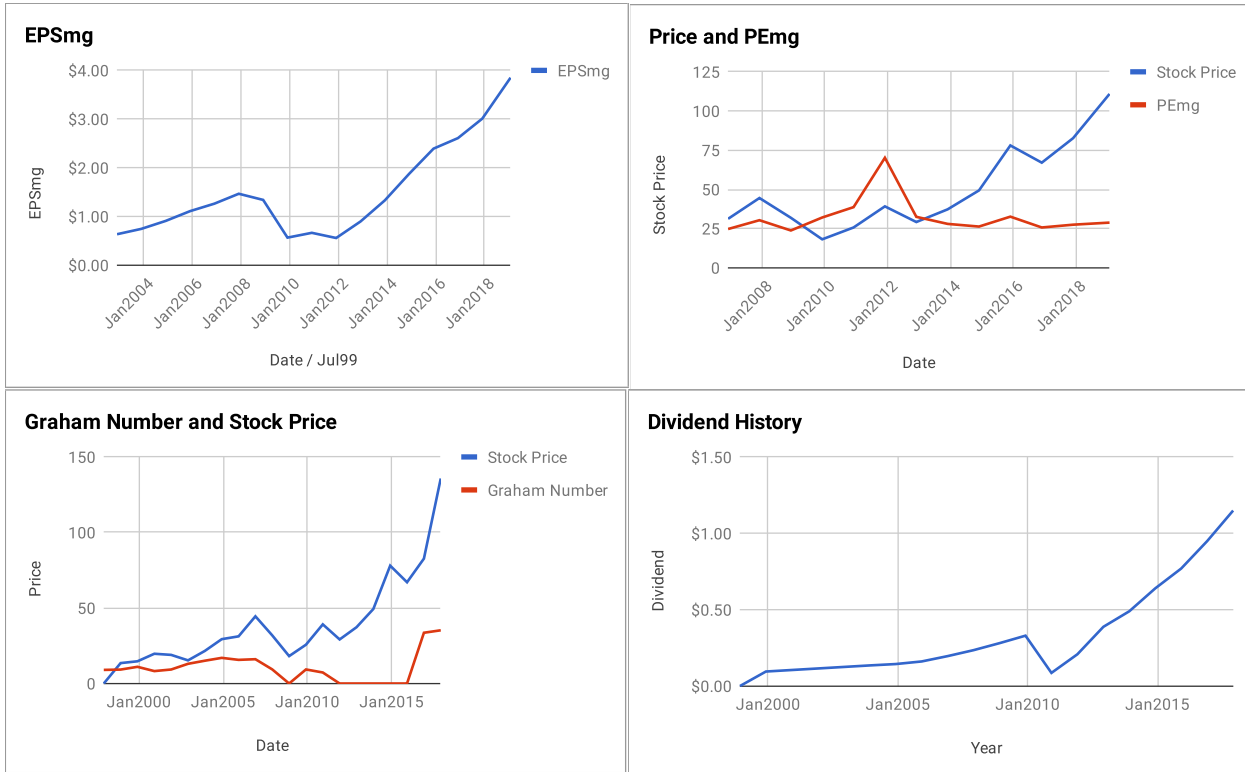
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.31	Next Fiscal Year Estimate	\$3.85
Dec2017	\$3.61	Dec2017	\$3.01
Dec2016	\$2.64	Dec2016	\$2.61
Dec2015	\$3.15	Dec2015	\$2.39
Dec2014	\$2.54	Dec2014	\$1.88
Dec2013	\$2.00	Dec2013	\$1.33
Dec2012	\$1.72	Dec2012	\$0.90
Dec2011	\$0.55	Dec2011	\$0.56
Dec2010	\$1.21	Dec2010	\$0.66
Dec2009	-\$0.97	Dec2009	\$0.57
Dec2008	\$0.98	Dec2008	\$1.34
Dec2007	\$1.73	Dec2007	\$1.47
Dec2006	\$1.40	Dec2006	\$1.26
Dec2005	\$1.43	Dec2005	\$1.11
Dec2004	\$1.23	Dec2004	\$0.91
Dec2003	\$1.01	Dec2003	\$0.75
Dec2002	\$0.54	Dec2002	\$0.64
Dec2001	\$0.46	Balance Sheet Information 9/1/2018	
Dec2000	\$0.93	Total Current Assets	\$2,803,000,000
Dec1999	\$0.74	Total Current Liabilities	\$6,051,000,000
Dec1998	\$0.72	Long-Term Debt	\$8,710,000,000
		Total Assets	\$23,833,000,000
		Intangible Assets	\$17,470,000,000
		Total Liabilities	\$21,509,000,000
		Shares Outstanding (Diluted Average)	350,600,000





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

- [Marriott International Inc Valuation – March 2018 \\$MAR](#)
- [Marriott International Inc Valuation – July 2016 \\$MAR](#)
- [24 Companies in the Spotlight This Week – 3/28/15](#)
- [Marriott International Inc. Annual Valuation – 2015 \\$MAR](#)
- [17 Companies in the Spotlight This Week – 3/22/14](#)

Other ModernGraham posts about related companies

- [Wyndham Worldwide Corp Valuation – May 2018 \\$WYN](#)
- [Carnival Corp Valuation – April 2018 \\$CCL](#)
- [Marriott International Inc Valuation – March 2018 \\$MAR](#)
- [Norwegian Cruise Line Holdings Ltd Valuation – Initial Coverage \\$NCLH](#)
- [Wyndham Worldwide Corp Valuation – January 2017 \\$WYN](#)
- [ILG Inc Valuation – Initial Coverage \\$ILG](#)
- [Starwood Hotels & Resorts Worldwide Inc Valuation – August 2016 \\$HOT](#)
- [Carnival Corp Valuation – July 2016 \\$CCL](#)
- [Marriott International Inc Valuation – July 2016 \\$MAR](#)
- [Starwood Hotels & Resorts Worldwide Inc. Analysis – July 2015 Update \\$HOT](#)