

ModernGraham Valuation

Company Name:

Company Ticker MGM

Date of Analysis

1/7/2019

MGM Resorts
International



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	\$13,976,019,100	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.74	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	-723.68%	Fail
6. Moderate PEmg Ratio	PEmg < 20	18.56	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.33	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	0.74	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-19.05	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
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	\$1.43
MG Growth Estimate	15.00%
MG Value	\$54.98
MG Value based on 3% Growth	\$20.71
MG Value based on 0% Growth	\$12.14
Market Implied Growth Rate	5.03%

MG Opinion

Current Price	\$26.51
% of Intrinsic Value	48.22%
Opinion	Undervalued
MG Grade	D+

Stage 3: Information for Further Research

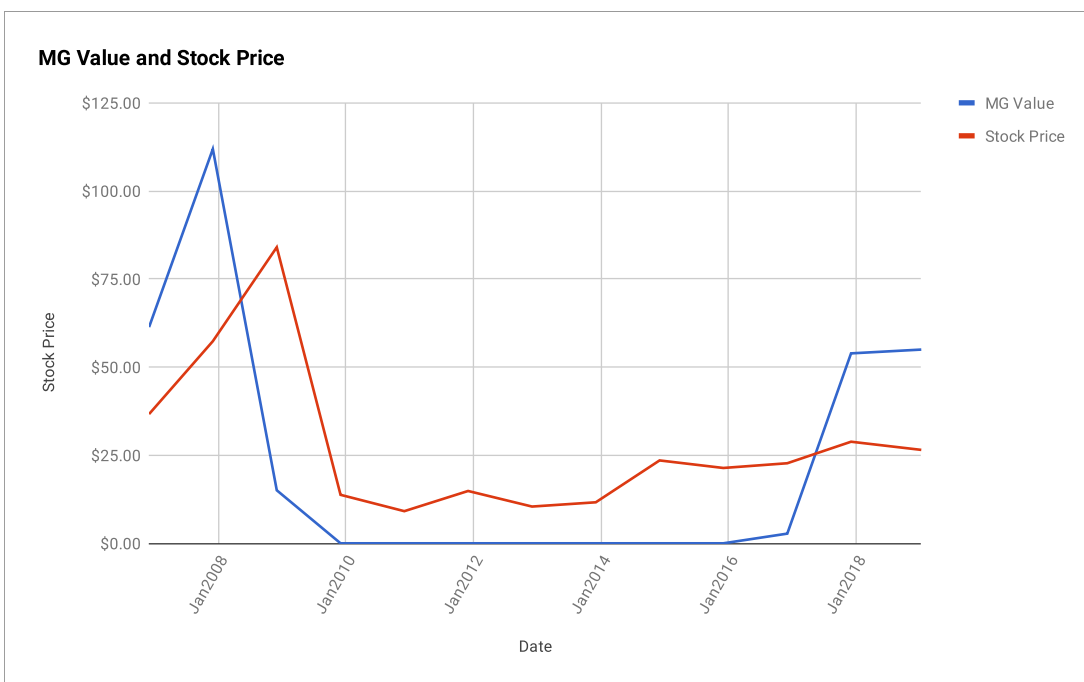
Net Current Asset Value (NCAV)	-\$31.49
Graham Number	\$15.96
PEmg	18.56
Current Ratio	0.74
PB Ratio	1.33
Current Dividend	\$0.44
Dividend Yield	1.66%
Number of Consecutive Years of Dividend Growth	1

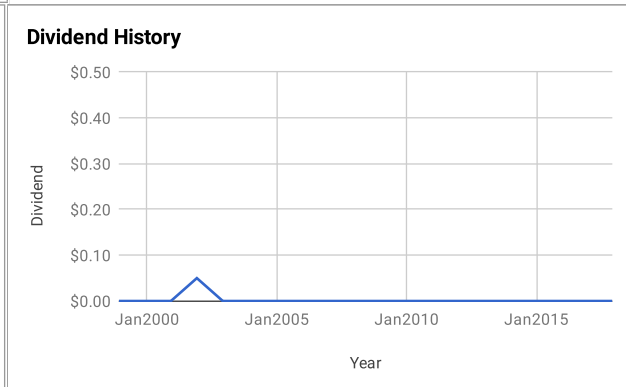
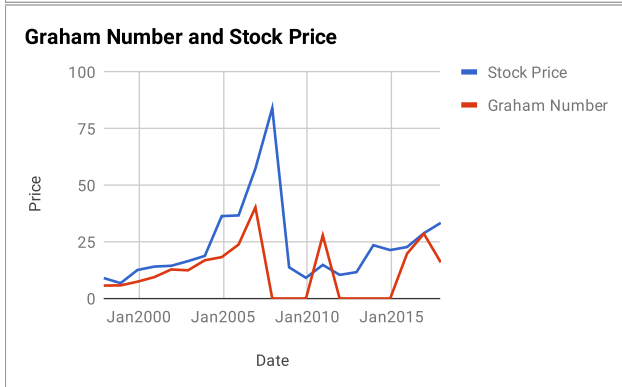
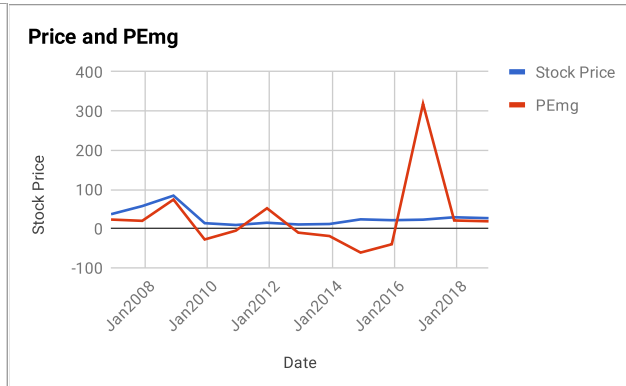
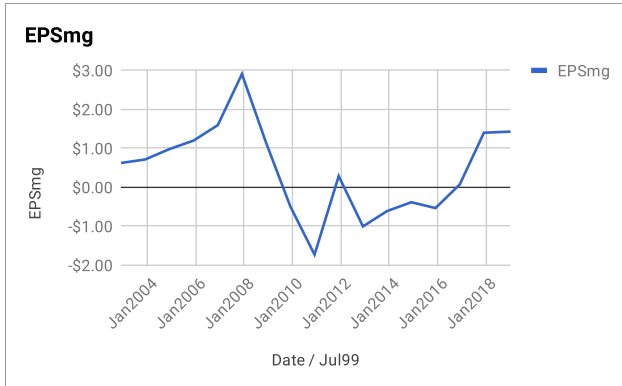
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.84	Next Fiscal Year Estimate	\$1.43
Dec2017	\$3.35	Dec2017	\$1.40
Dec2016	\$1.92	Dec2016	\$0.07
Dec2015	-\$0.82	Dec2015	-\$0.53
Dec2014	-\$0.31	Dec2014	-\$0.38
Dec2013	-\$0.35	Dec2013	-\$0.61
Dec2012	-\$3.62	Dec2012	-\$1.00
Dec2011	\$5.62	Dec2011	\$0.29
Dec2010	-\$3.19	Dec2010	-\$1.73
Dec2009	-\$3.41	Dec2009	-\$0.49
Dec2008	-\$3.06	Dec2008	\$1.14
Dec2007	\$5.31	Dec2007	\$2.91
Dec2006	\$2.22	Dec2006	\$1.59
Dec2005	\$1.50	Dec2005	\$1.20
Dec2004	\$1.43	Dec2004	\$0.98
Dec2003	\$0.80	Dec2003	\$0.71
Dec2002	\$0.92	Dec2002	\$0.62
Dec2001	\$0.53	Balance Sheet Information 9/1/2018	
Dec2000	\$0.55	Total Current Assets	\$2,208,024,000
Dec1999	\$0.36	Total Current Liabilities	\$2,977,590,000
Dec1998	\$0.31	Long-Term Debt	\$14,663,972,000
		Total Assets	\$29,973,515,000
		Intangible Assets	\$5,813,972,000
		Total Liabilities	\$19,227,336,000
		Shares Outstanding (Diluted Average)	540,396,000





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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