

# ModernGraham Valuation

Marathon Oil  
Corporation



Company Name:

Company Ticker MRO

Date of Analysis

1/25/2019

## 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	\$13,312,884,632	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.43	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		
5. Earnings Growth		-186.73%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-7.37	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.13	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	1.43	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.96	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		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$2.17
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$31.52
MG Value based on 0% Growth	-\$18.48
Market Implied Growth Rate	-7.93%

### MG Opinion

Current Price	\$16.02
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

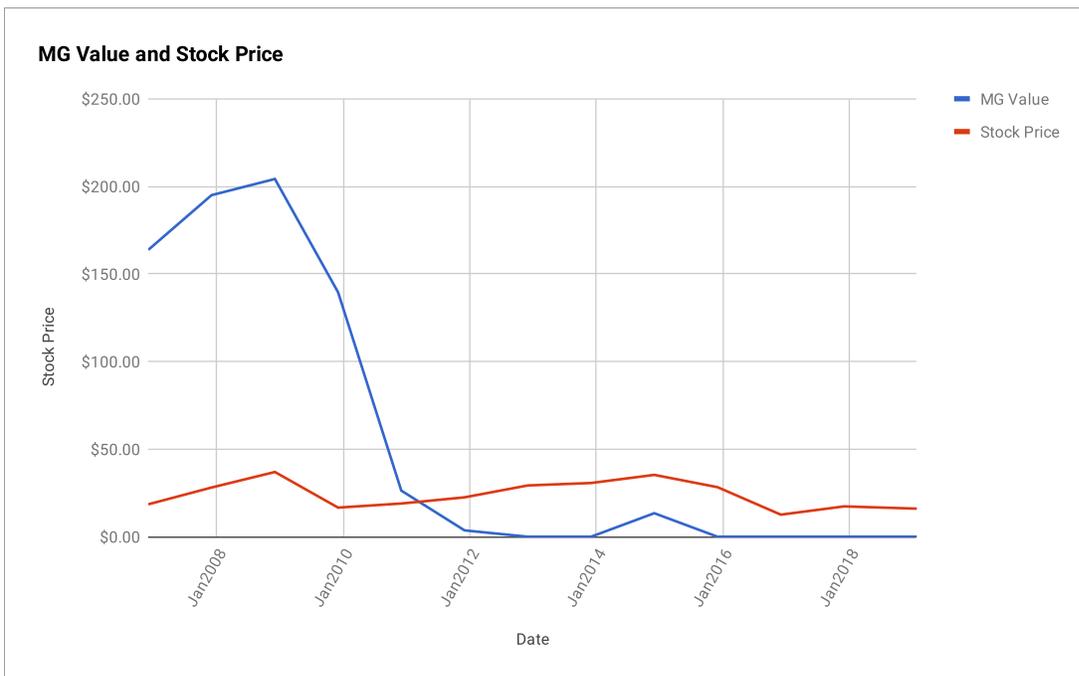
## Stage 3: Information for Further Research

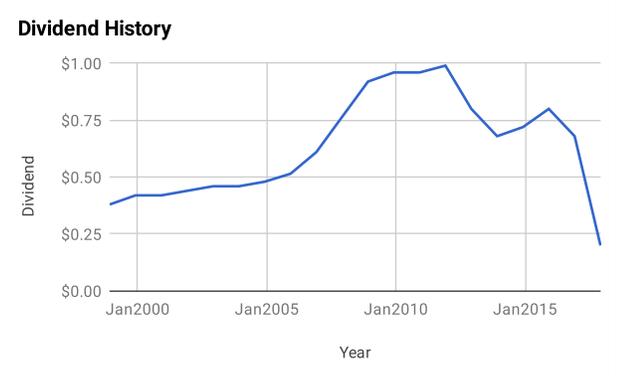
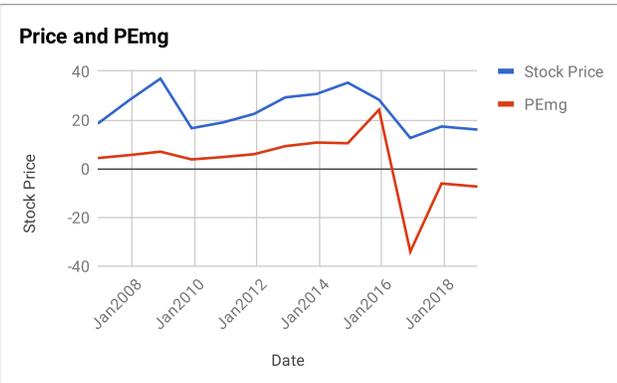
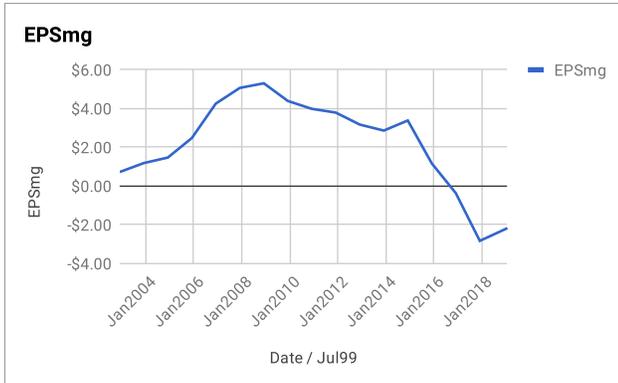
Net Current Asset Value (NCAV)	-\$7.86
Graham Number	\$16.13
PEmg	-7.37
Current Ratio	1.43
PB Ratio	1.13
Current Dividend	\$0.20
Dividend Yield	1.25%
Number of Consecutive Years of Dividend Growth	0

### 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	\$0.84	Next Fiscal Year Estimate	-\$2.17
Dec2017	-\$6.73	Dec2017	-\$2.83
Dec2016	-\$2.61	Dec2016	-\$0.37
Dec2015	-\$3.26	Dec2015	\$1.17
Dec2014	\$4.46	Dec2014	\$3.38
Dec2013	\$2.47	Dec2013	\$2.86
Dec2012	\$2.23	Dec2012	\$3.17
Dec2011	\$4.13	Dec2011	\$3.79
Dec2010	\$3.61	Dec2010	\$3.98
Dec2009	\$2.06	Dec2009	\$4.39
Dec2008	\$4.95	Dec2008	\$5.30
Dec2007	\$5.69	Dec2007	\$5.06
Dec2006	\$7.25	Dec2006	\$4.25
Dec2005	\$4.22	Dec2005	\$2.47
Dec2004	\$1.86	Dec2004	\$1.47
Dec2003	\$2.13	Dec2003	\$1.18
Dec2002	\$0.83	Dec2002	\$0.72
Dec2001	\$0.53	<b>Balance Sheet Information 9/1/2018</b>	
Dec2000	\$0.68	Total Current Assets	\$3,065,000,000
Dec1999	\$0.87	Total Current Liabilities	\$2,142,000,000
Dec1998	\$0.86	Long-Term Debt	\$5,498,000,000
		Total Assets	\$21,778,000,000
		Intangible Assets	\$97,000,000
		Total Liabilities	\$9,734,000,000
		Shares Outstanding (Diluted Average)	849,000,000





**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**
- [Marathon Oil Corp Valuation – March 2018 \\$MRO](#)
  - [Marathon Oil Corp Valuation – July 2016 \\$MRO](#)
  - [18 Companies in the Spotlight This Week – 3/21/15](#)
  - [Marathon Oil Corporation Annual Valuation – 2015 \\$MRO](#)
  - [19 Companies in the Spotlight This Week – 3/15/14](#)

- Other ModernGraham posts about related companies**
- [EQT Corp Valuation – January 2019 \\$EQT](#)
  - [Helmerich & Payne Inc Valuation – January 2019 \\$HP](#)
  - [Williams Companies Inc Valuation – January 2019 \\$WMB](#)
  - [Exxon Mobil Corp Valuation – November 2018 \\$XOM](#)
  - [Chevron Corp Valuation – November 2018 \\$CVX](#)
  - [Cenovus Energy Inc Valuation – October 2018 \\$TSE-CVE](#)
  - [CNX Resources Corp Valuation – September 2018 \\$CNX](#)
  - [Carbo Ceramics Inc Valuation – August 2018 \\$CRR](#)
  - [Murphy Oil Corp Valuation – August 2018 \\$MUR](#)
  - [Suncor Energy Inc Valuation – August 2018 \\$TSE:SU](#)