

# ModernGraham Valuation

Company Name:

Masco Corp

Company Ticker MAS

Date of Analysis

2/28/2019



## 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	\$11,044,960,279	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.64	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	-233.67%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	17.77	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	163.54	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	1.64	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.75	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.11
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$81.21</b>
MG Value based on 3% Growth	\$30.59
MG Value based on 0% Growth	\$17.93
Market Implied Growth Rate	4.64%

### MG Opinion

Current Price	\$37.49
% of Intrinsic Value	46.16%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

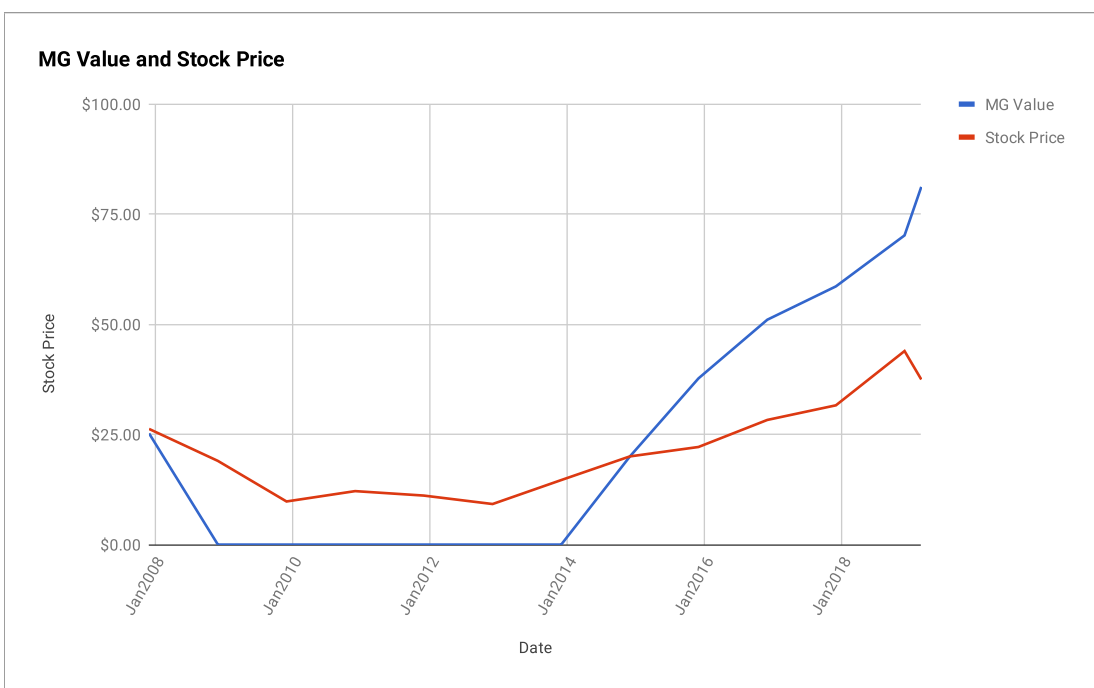
## Stage 3: Information for Further Research

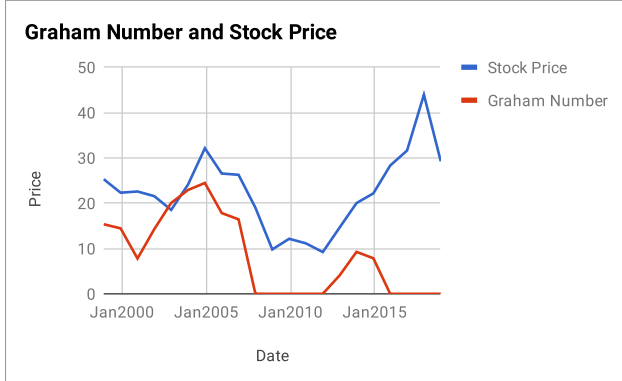
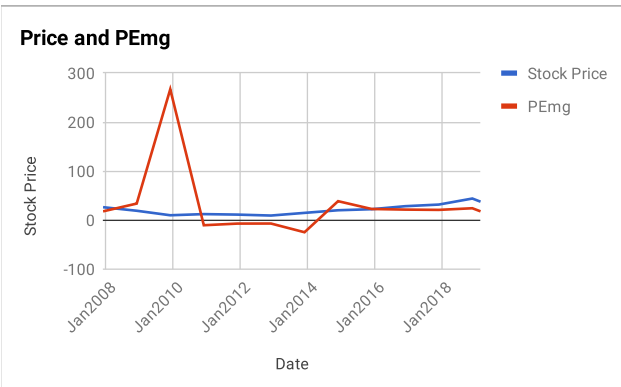
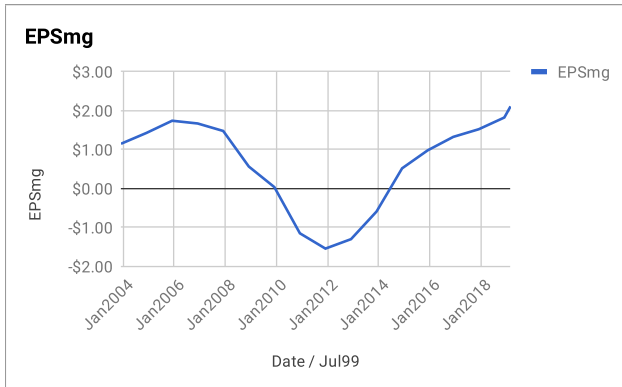
Net Current Asset Value (NCAV)	-\$8.50
Graham Number	\$0.00
PEmg	17.77
Current Ratio	1.64
PB Ratio	163.54
Current Dividend	\$0.44
Dividend Yield	1.16%
Number of Consecutive Years of Dividend Growth	2

### 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	\$2.64	Next Fiscal Year Estimate	\$2.11
Dec2018	\$2.37	Dec2018	\$1.82
Dec2017	\$1.66	Dec2017	\$1.52
Dec2016	\$1.48	Dec2016	\$1.33
Dec2015	\$1.02	Dec2015	\$0.98
Dec2014	\$2.38	Dec2014	\$0.52
Dec2013	\$0.80	Dec2013	-\$0.59
Dec2012	-\$0.33	Dec2012	-\$1.30
Dec2011	-\$1.66	Dec2011	-\$1.54
Dec2010	-\$3.00	Dec2010	-\$1.15
Dec2009	-\$0.53	Dec2009	\$0.04
Dec2008	-\$1.13	Dec2008	\$0.56
Dec2007	\$1.03	Dec2007	\$1.48
Dec2006	\$1.22	Dec2006	\$1.67
Dec2005	\$2.19	Dec2005	\$1.74
Dec2004	\$1.96	Dec2004	\$1.43
Dec2003	\$1.65	Dec2003	\$1.15
Dec2002	\$1.01	<b>Balance Sheet Information 12/1/2018</b>	
Dec2001	\$0.35	Total Current Assets	\$2,766,000,000
Dec2000	\$1.31	Total Current Liabilities	\$1,684,000,000
Dec1999	\$1.28	Long-Term Debt	\$2,971,000,000
		Total Assets	\$5,393,000,000
		Intangible Assets	\$1,304,000,000
		Total Liabilities	\$5,324,000,000
		Shares Outstanding (Diluted Average)	301,000,000





**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**
- [5 Companies for Enterprising Investors Near 52 Week Lows – July 2018](#)
  - [Masco Corp Valuation – May 2018 \\$MAS](#)
  - [Masco Corp Valuation – January 2017 \\$MAS](#)
  - [Masco Corporation Analysis – September 2015 Update \\$MAS](#)
  - [Masco Corporation Annual Valuation – 2015 \\$MAS](#)

- Other ModernGraham posts about related companies**
- [D.R. Horton Inc Valuation – February 2019 \\$DHI](#)
  - [Martin Marietta Materials Inc Valuation – February 2019 \\$MLM](#)
  - [Fluor Corp Valuation – February 2019 \\$FLR](#)
  - [Lennar Corp Valuation – February 2019 \\$LEN](#)
  - [Vulcan Materials Co Valuation – February 2019 \\$VMC](#)
  - [PulteGroup Inc Valuation – January 2019 \\$PHM](#)
  - [Sherwin-Williams Co Valuation – January 2019 \\$SHW](#)
  - [Johnson Controls International PC Valuation – January 2019 \\$JCI](#)
  - [Cummins Inc Valuation – January 2019 \\$CMI](#)
  - [Flowserve Corp Valuation – January 2019 \\$FLS](#)