

ModernGraham Valuation

Martin Marietta
Materials, Inc.



Company Name:

Company Ticker MLM

Date of Analysis

2/23/2019

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	\$11,875,000,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.74	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	377.76%	Pass
6. Moderate PEmg Ratio	PEmg < 20	22.98	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.42	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	1.74	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.72	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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$8.27
MG Growth Estimate	15.00%
MG Value	\$318.32
MG Value based on 3% Growth	\$119.89
MG Value based on 0% Growth	\$70.28
Market Implied Growth Rate	7.24%

MG Opinion

Current Price	\$190.00
% of Intrinsic Value	59.69%
Opinion	Undervalued
MG Grade	C+

Stage 3: Information for Further Research

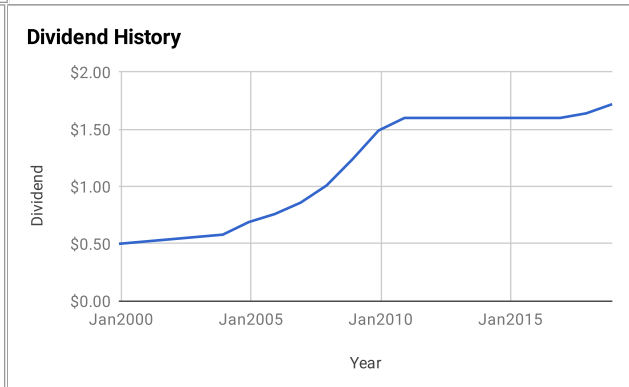
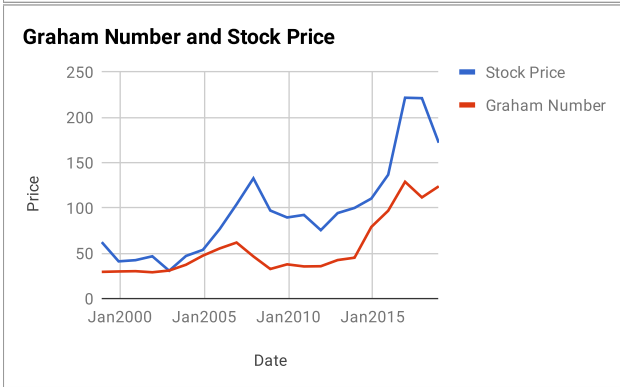
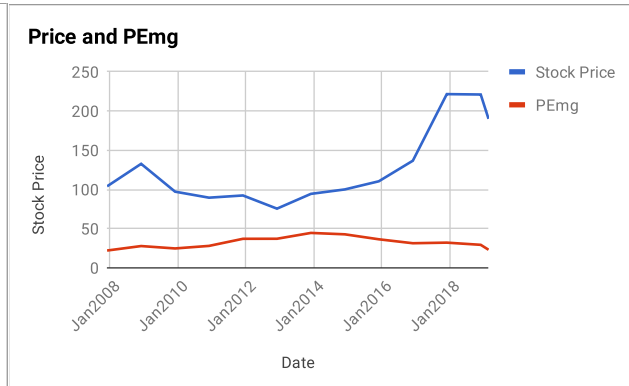
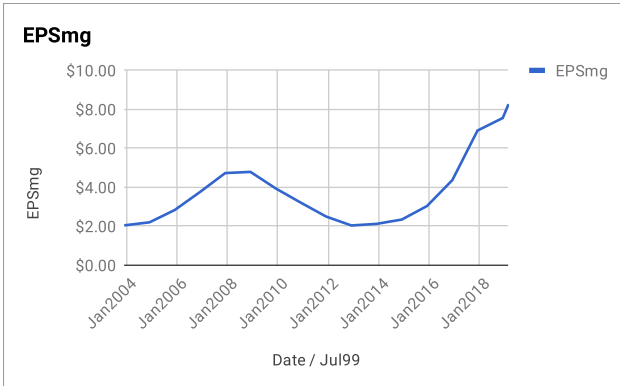
Net Current Asset Value (NCAV)	-\$51.44
Graham Number	\$123.79
PEmg	22.98
Current Ratio	1.74
PB Ratio	2.42
Current Dividend	\$1.84
Dividend Yield	0.97%
Number of Consecutive Years of Dividend Growth	3

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$8.60	Next Fiscal Year Estimate	\$8.27
Dec2018	\$7.43	Dec2018	\$7.56
Dec2017	\$11.25	Dec2017	\$6.91
Dec2016	\$6.63	Dec2016	\$4.37
Dec2015	\$4.29	Dec2015	\$3.04
Dec2014	\$2.71	Dec2014	\$2.34
Dec2013	\$2.61	Dec2013	\$2.12
Dec2012	\$1.83	Dec2012	\$2.04
Dec2011	\$1.78	Dec2011	\$2.50
Dec2010	\$2.10	Dec2010	\$3.21
Dec2009	\$1.91	Dec2009	\$3.94
Dec2008	\$4.18	Dec2008	\$4.79
Dec2007	\$6.06	Dec2007	\$4.73
Dec2006	\$5.29	Dec2006	\$3.76
Dec2005	\$4.08	Dec2005	\$2.83
Dec2004	\$2.66	Dec2004	\$2.20
Dec2003	\$1.91	Dec2003	\$2.04
Dec2002	\$1.77	Balance Sheet Information 12/1/2018	
Dec2001	\$2.19	Total Current Assets	\$1,365,816,000
Dec2000	\$2.39	Total Current Liabilities	\$786,750,000
Dec1999	\$2.68	Long-Term Debt	\$2,730,439,000
		Total Assets	\$9,551,419,000
		Intangible Assets	\$2,900,400,000
		Total Liabilities	\$4,602,007,000
		Shares Outstanding (Diluted Average)	62,918,000





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**
- [Martin Marietta Materials Inc Valuation – May 2018 \\$MLM](#)
 - [Martin Marietta Materials Inc Valuation – December 2016 \\$MLM](#)
 - [Martin Marietta Materials Inc Valuation – August 2016 \\$MLM](#)
 - [Martin Marietta Materials Inc Valuation – February 2016 Update \\$MLM](#)
 - [Martin Marietta Materials Inc. Valuation – October 2015 Update \\$MLM](#)

- Other ModernGraham posts about related companies**
- [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](#)
 - [Home Depot Inc Valuation – November 2018 \\$HD](#)
 - [Cavco Industries Inc Valuation – September 2018 \\$CVCO](#)
 - [LGI Homes Inc Valuation – September 2018 \\$LGIH](#)