ModernGraham Valuation

Company Name:

Marathon Petroleum Corp



Company Ticker

Date of Analysis 2/11/2019

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$43,458,170,026 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.65 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	206.78% Pass
Moderate PEmg Ratio	PEmg < 20	13.82 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.51 Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

 Sufficiently Strong Financial Condition 	Current Ratio > 1.5	1.65 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.95 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	Pass
	Score	

Suitability

Defensive No Yes Enterprising

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.55
MG Growth Estimate	2.78%
MG Value	\$64.03
MG Value based on 3% Growth	\$66.01
MG Value based on 0% Growth	\$38.70
Market Implied Growth Rate	2.66%

MG Opinion

Current Price	\$62.91
% of Intrinsic Value	98.25%
Opinion	Fairly Valued

MG Grade B-

Stage 3: Information for Further Research

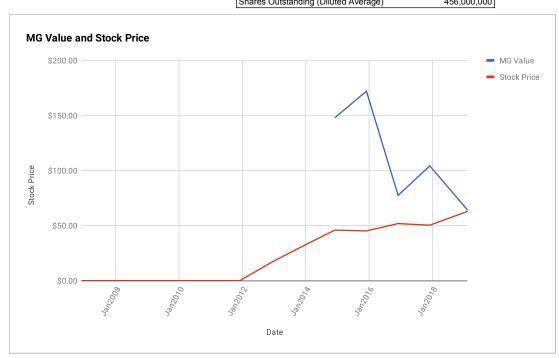
Net Current Asset Value (NCAV)	-\$39.75
Graham Number	\$50.91
PEmg	13.82
Current Ratio	1.65
PB Ratio	1.51
Current Dividend	\$1.52
Dividend Yield	2.42%
Number of Consecutive Years of Dividend	_
Growth	7

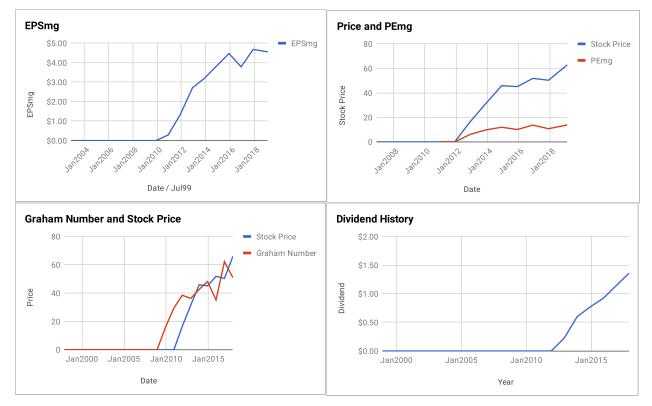
Morningstar

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EPS History		EPSmg History	
Next Fiscal Year	•••		2.55
Estimate	****	Next Fiscal Year Estimate	\$4.55
Dec2017	\$6.70	Dec2017	\$4.68
Dec2016	\$2.21	Dec2016	\$3.79
Dec2015	\$5.26	Dec2015	\$4.47
Dec2014	\$4.39	Dec2014	\$3.84
Dec2013	\$3.32	Dec2013	\$3.21
Dec2012	\$4.95	Dec2012	\$2.71
Dec2011	\$3.34	Dec2011	\$1.34
Dec2010	\$0.87	Dec2010	\$0.29
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information	9/1/2018
Dec2000	\$0.00	Total Current Assets	\$15,873,000,000
Dec1999	\$0.00	Total Current Liabilities	\$9,634,000,000
Dec1998	\$0.00	Long-Term Debt	\$18,423,000,000
-		Total Assets	\$53,031,000,000
		Intangible Assets	\$3,713,000,000
		Total Liabilities	\$34,000,000,000
		Shares Outstanding (Diluted Average)	456,000,000





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 Petroleum Corp Valuation - April 2018 \$MPC

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10 Best Dividend Paying Stocks for the Enterprising Investor – September 2016

7 Best Undervalued Stocks of the Week – 9/3/16

Marathon Petroleum Corp Valuation - August 2016 \$MPC

Other ModernGraham posts about related companies EOG Resources Inc Valuation - February 2019 \$EOG

ConocoPhillips Valuation – February 2019 \$COP

Devon Energy Corp Valuation – January 2019 \$DVN

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