

# ModernGraham Valuation

Marathon Petroleum  
Corp



Company Name:

Company Ticker MPC

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.*

1. 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
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	206.78%	Pass
5. Earnings Growth	PEmg < 20	13.82	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.51	Pass
7. Moderate Price to Assets			

*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	1.65	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.55
MG Growth Estimate	2.78%
<b>MG Value</b>	<b>\$64.03</b>
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%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>B-</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

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[Morningstar](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.99	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	<b>Balance Sheet Information 9/1/2018</b>	
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:

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ModernGraham  
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[10 Best Dividend Paying Stocks for the Enterprising Investor – December 2016](#)  
[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](#)

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[Noble Energy Inc Valuation – January 2019 \\$NBL](#)  
[ONEOK Inc Valuation – January 2019 \\$OKE](#)  
[Marathon Oil Corp Valuation – January 2019 \\$MRO](#)  
[HollyFrontier Corp Valuation – January 2019 \\$HFC](#)  
[Hess Corp Valuation – January 2019 \\$HES](#)  
[Cimarex Energy Co Valuation – January 2019 \\$XEC](#)  
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