ModernGraham Valuation

Company Name: Mattel Inc

Company Ticker	MAT
Date of Analysis	3/29/2019

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	$4,472,878,134	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.88	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-182.75%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-12.70	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.69	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	1.88	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.59	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg	-$1.02
MG Growth Estimate	-4.25%
MG Value	**$0.00**
MG Value based on 3% Growth	-$14.79
MG Value based on 0% Growth	-$8.67
Market Implied Growth Rate	-10.60%

MG Opinion

Current Price	$12.95
% of Intrinsic Value	N/A
Opinion	**Overvalued**
MG Grade	**D**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$6.43
Graham Number	$0.00
PEmg	-12.70
Current Ratio	1.88
PB Ratio	6.69
Current Dividend	$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

EPS History		EPSmg History	
Next Fiscal Year Estimate	-$0.57	Next Fiscal Year Estimate	-$1.02
Dec2018	-$1.54	Dec2018	-$0.91
Dec2017	-$3.07	Dec2017	-$0.20
Dec2016	$0.92	Dec2016	$1.38
Dec2015	$1.08	Dec2015	$1.70
Dec2014	$1.45	Dec2014	$2.03
Dec2013	$2.58	Dec2013	$2.23
Dec2012	$2.22	Dec2012	$1.96
Dec2011	$2.18	Dec2011	$1.76
Dec2010	$1.86	Dec2010	$1.52
Dec2009	$1.45	Dec2009	$1.34
Dec2008	$1.05	Dec2008	$1.29
Dec2007	$1.54	Dec2007	$1.38
Dec2006	$1.53	Dec2006	$1.25
Dec2005	$1.01	Dec2005	$1.06
Dec2004	$1.35	Dec2004	$0.90
Dec2003	$1.22	Dec2003	$0.53
Dec2002	$0.52	**Balance Sheet Information**	**12/1/2018**
Dec2001	$0.68	Total Current Assets	$2,352,440,000
Dec2000	-$1.01	Total Current Liabilities	$1,252,608,000
Dec1999	-$0.21	Long-Term Debt	$2,851,723,000
		Total Assets	$5,243,465,000
		Intangible Assets	$1,973,952,000
		Total Liabilities	$4,574,000,000
		Shares Outstanding (Diluted Average)	345,726,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History
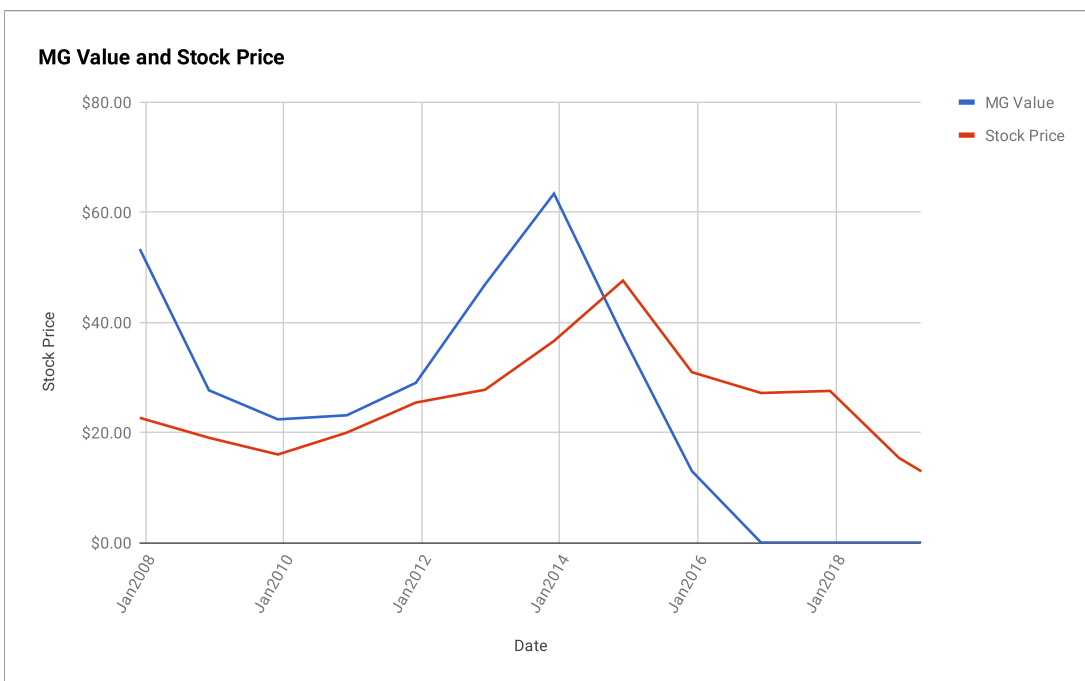
Disclaimer:

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	Mattel Inc Valuation – June 2018 $MAT
	Mattel Inc. Valuation – June 2017 $MAT
	Mattel Inc Valuation – January 2016 Update $MAT
	Mattel Inc. Analysis – September 2015 Update $MAT
	30 Companies in the Spotlight This Week – 5/23/15

Other ModernGraham posts about related companies	Hasbro Inc Valuation – January 2019 $HAS
	Electronic Arts Inc Valuation – November 2018 $EA
	Activision Blizzard Inc Valuation – June 2018 $ATVI
	Mattel Inc Valuation – June 2018 $MAT
	Hasbro Inc Valuation – March 2018 $HAS
	Electronic Arts Inc Valuation – February 2018 $EA
	Mattel Inc. Valuation – June 2017 $MAT
	Hasbro Inc Valuation – July 2016 $HAS
	Electronic Arts Inc Valuation – May 2016 $EA
	Mattel Inc Valuation – January 2016 Update $MAT