

# ModernGraham Valuation



## Company Name:

Essex Property Trust Inc

Company Ticker ESS

Date of Analysis

10/9/2015

## 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	\$15,006,794,013	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.89	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	40.89%	Pass
6. Moderate PEmg Ratio	PEmg < 20	57.28	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.38	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	0.89	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-165.28	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

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.98
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$153.41</b>
MG Value based on 3% Growth	\$57.78
MG Value based on 0% Growth	\$33.87
Market Implied Growth Rate	24.39%

### MG Opinion

Current Price	\$228.26
% of Intrinsic Value	148.79%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$85.30
Graham Number	\$115.60
PEmg	57.28
Current Ratio	0.89
PB Ratio	2.38
Dividend Yield	2.40%
Number of Consecutive Years of Dividend Growth	20

### 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	\$6.27	Next Fiscal Year Estimate	\$3.98
Dec14	\$2.06	Dec14	\$2.69
Dec13	\$4.04	Dec13	\$2.85
Dec12	\$3.41	Dec12	\$2.22
Dec11	\$1.24	Dec11	\$1.86
Dec10	\$1.14	Dec10	\$2.30
Dec09	\$2.91	Dec09	\$2.92
Dec08	\$2.09	Dec08	\$2.98
Dec07	\$4.24	Dec07	\$3.28
Dec06	\$2.45	Dec06	\$2.76
Dec05	\$3.32	Dec05	\$2.84
Dec04	\$3.36	Dec04	\$2.57
Dec03	\$1.57	Dec03	\$2.22
Dec02	\$2.60	Dec02	\$2.45
Dec01	\$2.63	Dec01	\$2.29
Dec00	\$2.37	Dec00	\$2.02
Dec99	\$2.36	Dec99	\$1.80
Dec98	\$1.36	<b>Balance Sheet Information Jun15</b>	
Dec97	\$1.92	Total Current Assets	\$268,983,000
Dec96	\$1.12	Total Current Liabilities	\$301,296,000
Dec95	\$1.73	Long-Term Debt	\$5,340,569,000
		Total Assets	\$12,045,000,000
		Intangible Assets	\$0
		Total Liabilities	\$5,810,952,000
		Shares Outstanding (Diluted Average)	64,973,000





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

[Essex Property Trust Inc. Analysis – Initial Coverage \\$ESS](#)

Other ModernGraham posts about related companies

[Macerich Company Analysis – September 2015 Update \\$MAC](#)  
[Alexandria Real Estate Equities Inc. Analysis – Initial Coverage \\$ARE](#)  
[Weyerhaeuser Company Analysis – August 2015 Update \\$WY](#)  
[Boston Properties Inc. Analysis – August 2015 Update \\$BXP](#)  
[Health Care REIT Inc. Analysis – August 2015 Update \\$HCN](#)  
[Kimco Realty Corporation Analysis – August 2015 Update \\$KIM](#)  
[American Campus Communities Inc. Analysis – Initial Coverage \\$ACC](#)  
[Ventas Inc. Analysis – 2015 Update \\$VTR](#)  
[National Retail Properties Inc. Analysis – Initial Coverage \\$NNN](#)  
[SL Green Realty Corp Analysis – Initial Coverage \\$SLG](#)