

ModernGraham Valuation

Company Name:

Macerich Co

Company Ticker MAC

Date of Analysis

7/13/2016



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	\$13,223,335,561	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.60	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	266.86%	Pass
6. Moderate PEmg Ratio	PEmg < 20	18.43	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.90	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	0.60	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-26.23	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.83
MG Growth Estimate	15.00%
MG Value	\$185.90
MG Value based on 3% Growth	\$70.02
MG Value based on 0% Growth	\$41.04
Market Implied Growth Rate	4.96%

MG Opinion

Current Price	\$88.98
% of Intrinsic Value	47.86%
Opinion	Undervalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$34.73
Graham Number	\$53.34
PEmg	18.43
Current Ratio	0.60
PB Ratio	2.90
Current Dividend	\$2.66
Dividend Yield	2.99%
Number of Consecutive Years of Dividend Growth	5

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.05	Next Fiscal Year Estimate	\$4.83
Dec2015	\$3.08	Dec2015	\$4.83
Dec2014	\$10.45	Dec2014	\$4.96
Dec2013	\$3.00	Dec2013	\$2.03
Dec2012	\$2.51	Dec2012	\$1.54
Dec2011	\$1.18	Dec2011	\$1.12
Dec2010	\$0.19	Dec2010	\$1.26
Dec2009	\$1.45	Dec2009	\$1.78
Dec2008	\$2.38	Dec2008	\$1.87
Dec2007	\$0.96	Dec2007	\$1.62
Dec2006	\$3.07	Dec2006	\$1.89
Dec2005	\$0.85	Dec2005	\$1.36
Dec2004	\$1.35	Dec2004	\$1.59
Dec2003	\$2.01	Dec2003	\$1.75
Dec2002	\$1.56	Dec2002	\$1.63
Dec2001	\$1.66	Dec2001	\$1.60
Dec2000	\$1.07	Dec2000	\$1.49
Dec1999	\$2.88	Balance Sheet Information 3/1/2016	
Dec1998	\$1.02	Total Current Assets	\$261,926,000
Dec1997	\$0.81	Total Current Liabilities	\$439,572,000
Dec1996	\$0.88	Long-Term Debt	\$4,658,968,000
		Total Assets	\$10,211,345,000
		Intangible Assets	\$152,090,000
		Total Liabilities	\$5,544,334,000
		Shares Outstanding (Diluted Average)	152,103,000





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

- [10 Undervalued Companies for the Defensive Dividend Stock Investor – February 2016](#)
- [19 Best Stocks For Value Investors This Week – 1/9/16](#)
- [Macerich Co Valuation – January 2016 Update \\$MAC](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – December 2015](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – November 2015](#)

Other ModernGraham posts about related companies

- [HCP Inc Valuation – July 2016 \\$HCP](#)
- [Apartment Investment & Management Co Valuation – July 2016 \\$AIV](#)
- [Crown Castle International Corp Valuation – June 2016 \\$CCI](#)
- [General Growth Properties Inc Valuation – June 2016 \\$GGP](#)
- [Boston Properties Inc Valuation – June 2016 \\$BXP](#)
- [Simon Property Group Inc Valuation – June 2016 \\$SPG](#)
- [AvalonBay Communities Inc Valuation – May 2016 \\$AVB](#)
- [Weyerhaeuser Company Valuation – May 2016 \\$WY](#)
- [Realty Income Corporation Valuation – May 2016 \\$O](#)
- [Welltower Inc. Valuation – May 2016 \\$HCN](#)