

ModernGraham Valuation

Company Name:

Saul Centers Inc

Company Ticker BFS

Date of Analysis

7/21/2017



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	\$1,309,846,925	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.31	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	16.93%	Fail
5. Earnings Growth	PEmg < 20	41.47	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.08	Fail
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	1.31	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	43.56	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	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.45
MG Growth Estimate	12.27%
MG Value	\$47.87
MG Value based on 3% Growth	\$21.02
MG Value based on 0% Growth	\$12.32
Market Implied Growth Rate	16.49%

MG Opinion

Current Price	\$60.11
% of Intrinsic Value	125.56%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$45.88
Graham Number	\$14.92
PEmg	41.47
Current Ratio	1.31
PB Ratio	4.08
Current Dividend	\$1.84
Dividend Yield	3.06%
Number of Consecutive Years of Dividend Growth	3

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2016	\$1.55	Dec2016	\$1.45
Dec2015	\$1.52	Dec2015	\$1.33
Dec2014	\$1.42	Dec2014	\$1.16
Dec2013	\$1.54	Dec2013	\$1.01
Dec2012	\$0.57	Dec2012	\$0.80
Dec2011	\$0.93	Dec2011	\$0.97
Dec2010	\$0.61	Dec2010	\$1.06
Dec2009	\$1.18	Dec2009	\$1.32
Dec2008	\$1.20	Dec2008	\$1.39
Dec2007	\$1.46	Dec2007	\$1.45
Dec2006	\$1.62	Dec2006	\$1.40
Dec2005	\$1.43	Dec2005	\$1.28
Dec2004	\$1.27	Dec2004	\$1.21
Dec2003	\$1.12	Dec2003	\$1.17
Dec2002	\$1.15	Dec2002	\$1.18
Dec2001	\$1.31	Dec2001	\$1.15
Dec2000	\$1.22	Dec2000	\$0.99
Dec1999	\$1.03	Balance Sheet Information	
Dec1998	\$1.01	3/1/2017	
Dec1997	\$0.72	Total Current Assets	\$93,095,000
	\$0.21	Total Current Liabilities	\$70,833,000
		Long-Term Debt	\$969,638,000
		Total Assets	\$1,419,782,000
		Intangible Assets	\$0
		Total Liabilities	\$1,097,577,000
		Shares Outstanding (Diluted Average)	21,892,000





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

#N/A

Other
ModernGraham
posts about related
companies

[LTC Properties Inc Valuation – Initial Coverage \\$LTC](#)
[REIT Industry Review – April 2017](#)
[Starwood Property Trust Inc Valuation – April 2017 \\$STWD](#)
[Dream Office REIT – Initial Coverage \\$TSE:D.UN](#)
[Liberty Property Trust Valuation – Initial Coverage \\$LPT](#)
[Taubman Centers Inc Valuation – Initial Coverage \\$TCO](#)
[Corecivic Inc Valuation – Initial Coverage \\$CXW](#)
[Kimco Realty Corp Valuation – March 2017 \\$KIM](#)
[LaSalle Hotel Properties Valuation – Initial Coverage \\$LHO](#)
[Cousins Properties Inc Valuation – Initial Coverage \\$CUZ](#)