

ModernGraham Valuation

Company Name:

Boston Properties,
Inc.

Company Ticker BXP

Date of Analysis

8/14/2015



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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Pass
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	Fail
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	3.55
MG Growth Estimate	10.13%
MG Value	\$102.16
MG Value based on 3% Growth	\$51.52
MG Value based on 0% Growth	\$30.20
Market Implied Growth Rate	12.76%

MG Opinion

Current Price	\$120.90
% of Intrinsic Value	118.34%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$71.05
PEmg	34.02
Current Ratio	4.59
PB Ratio	3.22
Dividend Yield	2.15%
Number of Consecutive Years of Dividend Growth	0

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	\$4.34	Next Fiscal Year Estimate	\$3.55
Dec14	\$2.83	Dec14	\$2.95
Dec13	\$4.86	Dec13	\$2.77
Dec12	\$1.92	Dec12	\$1.66
Dec11	\$1.86	Dec11	\$2.12
Dec10	\$1.14	Dec10	\$2.98
Dec09	\$1.76	Dec09	\$4.26
Dec08	\$0.87	Dec08	\$5.39
Dec07	\$10.94	Dec07	\$7.00
Dec06	\$7.46	Dec06	\$4.82
Dec05	\$3.86	Dec05	\$3.46
Dec04	\$2.61	Dec04	\$3.17
Dec03	\$3.65	Dec03	\$3.24
Dec02	\$4.50	Dec02	\$2.82
Dec01	\$2.19	Dec01	\$1.88
Dec00	\$2.05	Dec00	\$1.56
Dec99	\$1.71	Dec99	\$1.16
Dec98	\$1.52	Balance Sheet Information Jun15	
Dec97	\$0.90	Total Current Assets	\$2,402,242,000
Dec96	\$0.00	Total Current Liabilities	\$523,340,000
Dec95	\$0.00	Long-Term Debt	\$9,867,459,000
		Total Assets	\$19,113,960,000
		Intangible Assets	\$0
		Total Liabilities	\$13,330,980,000
		Outstanding Shares	153,815,000



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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posts about the
company**

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[Boston Properties Inc. Quarterly Valuation – May 2015 \\$BXP](#)
[34 Companies in the Spotlight This Week – 2/7/15](#)
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[Ventas Inc. Analysis – 2015 Update \\$VTR](#)
[National Retail Properties Inc. Analysis – Initial Coverage \\$NNN](#)
[SL Green Realty Corp Analysis – Initial Coverage \\$SLG](#)
[Essex Property Trust Inc. Analysis – Initial Coverage \\$ESS](#)
[Equity Residential Analysis – 2015 Update \\$EQR](#)
[Macerich Stock Analysis – May 2015 Quarterly Update \\$MAC](#)
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