

# ModernGraham Valuation

Company Name:

Macerich Co

Company Ticker MAC

Date of Analysis

9/2/2015



## 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	Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Earnings Growth		Pass
6. Moderate PEmg Ratio	PEmg < 20	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	Fail
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

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.55
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$175.18</b>
MG Value based on 3% Growth	\$65.98
MG Value based on 0% Growth	\$38.68
Market Implied Growth Rate	4.04%

### MG Opinion

Current Price	\$75.46
% of Intrinsic Value	43.08%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$48.08
Graham Number	\$41.87
PEmg	16.58
Current Ratio	0.38
PB Ratio	2.18
Dividend Yield	3.41%
Number of Consecutive Years of Dividend Growth	4

### 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	\$2.25	Next Fiscal Year Estimate	\$4.55
Dec14	\$10.45	Dec14	\$4.96
Dec13	\$3.00	Dec13	\$2.03
Dec12	\$2.51	Dec12	\$1.53
Dec11	\$1.18	Dec11	\$1.09
Dec10	\$0.19	Dec10	\$1.22
Dec09	\$1.45	Dec09	\$1.72
Dec08	\$2.17	Dec08	\$1.80
Dec07	\$0.98	Dec07	\$1.63
Dec06	\$3.07	Dec06	\$1.89
Dec05	\$0.85	Dec05	\$1.36
Dec04	\$1.35	Dec04	\$1.59
Dec03	\$2.01	Dec03	\$1.75
Dec02	\$1.56	Dec02	\$1.63
Dec01	\$1.66	Dec01	\$1.60
Dec00	\$1.07	Dec00	\$1.49
Dec99	\$2.88	Dec99	\$1.56
Dec98	\$1.02	<b>Balance Sheet Information Jun15</b>	
Dec97	\$0.82	Total Current Assets	\$240,729,000
Dec96	\$0.86	Total Current Liabilities	\$637,803,000
Dec95	\$0.70	Long-Term Debt	\$6,739,208,000
		Total Assets	\$13,360,380,000
		Intangible Assets	\$303,504,000
		Total Liabilities	\$7,867,048,000
		Shares Outstanding (Diluted Average)	158,633,000



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 – August 2015](#)  
[10 Most Undervalued Companies for the Defensive Investor – August 2015](#)  
[5 Undervalued Companies for Defensive Investors With High Dividend Yields – July 2015](#)  
[The 12 Best Stocks For Value Investors This Week – 5/30/15](#)  
[Macerich Stock Analysis – May 2015 Quarterly Update \\$MAC](#)

**Other  
ModernGraham  
posts about related  
companies**

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