ModernGraham Valuation

Company Name:

Company Ticker ESS Date of Analysis Essex Property Trust





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.

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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	I	Pass
4.	Dividend Record	Dividend Payments for 10 years prior	I	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; mu	ust pass 4 out of the following 5 tests, or be	e 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	I	Pass
4.	Dividend Record	Currently Pays Dividend	I	Pass
5.	Earnings Growth	EPSmg greater than 5 years ago	I	Pass

No No

Suitability

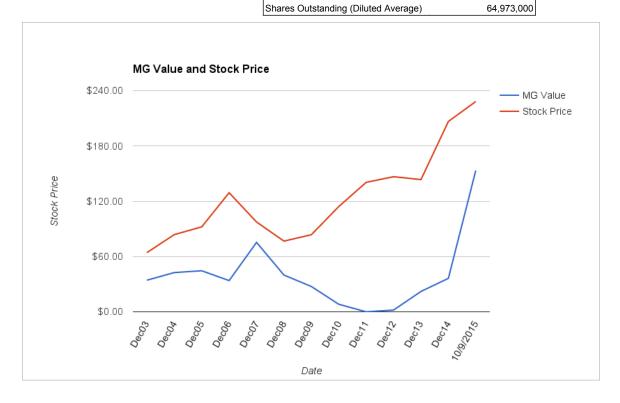
Defensive	
Enterprising	

Stage 2: Determination of Intrinsic Value

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	EPSmg		\$3.98
	MG Growth Estimate		15.00%
	MG Value		\$153.41
	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%
	Opinion	Overvalued	
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		

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	\$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	Balance Sheet Information	Jun15
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
			04.070.000





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 \$BXP 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