

# ModernGraham Valuation

Company Name:

Macerich Co

Company Ticker MAC

Date of Analysis

1/6/2016



## 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	\$13,054,057,372	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.37	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	138.68%	Pass
6. Moderate PEmg Ratio	PEmg < 20	19.15	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.39	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	0.37	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-17.57	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	\$4.27
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$164.40</b>
MG Value based on 3% Growth	\$61.92
MG Value based on 0% Growth	\$36.30
Market Implied Growth Rate	5.32%

### MG Opinion

Current Price	\$81.77
% of Intrinsic Value	49.74%
<b>Opinion</b>	<b>Undervalued</b>

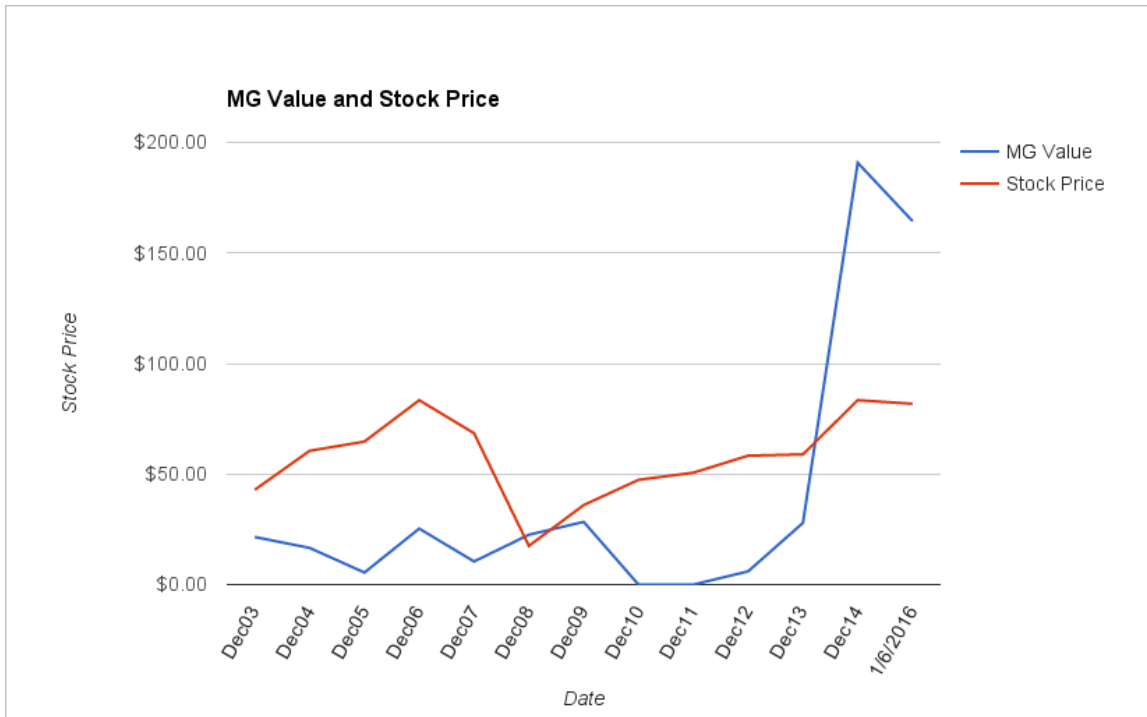
## Stage 3: Information for Further Research

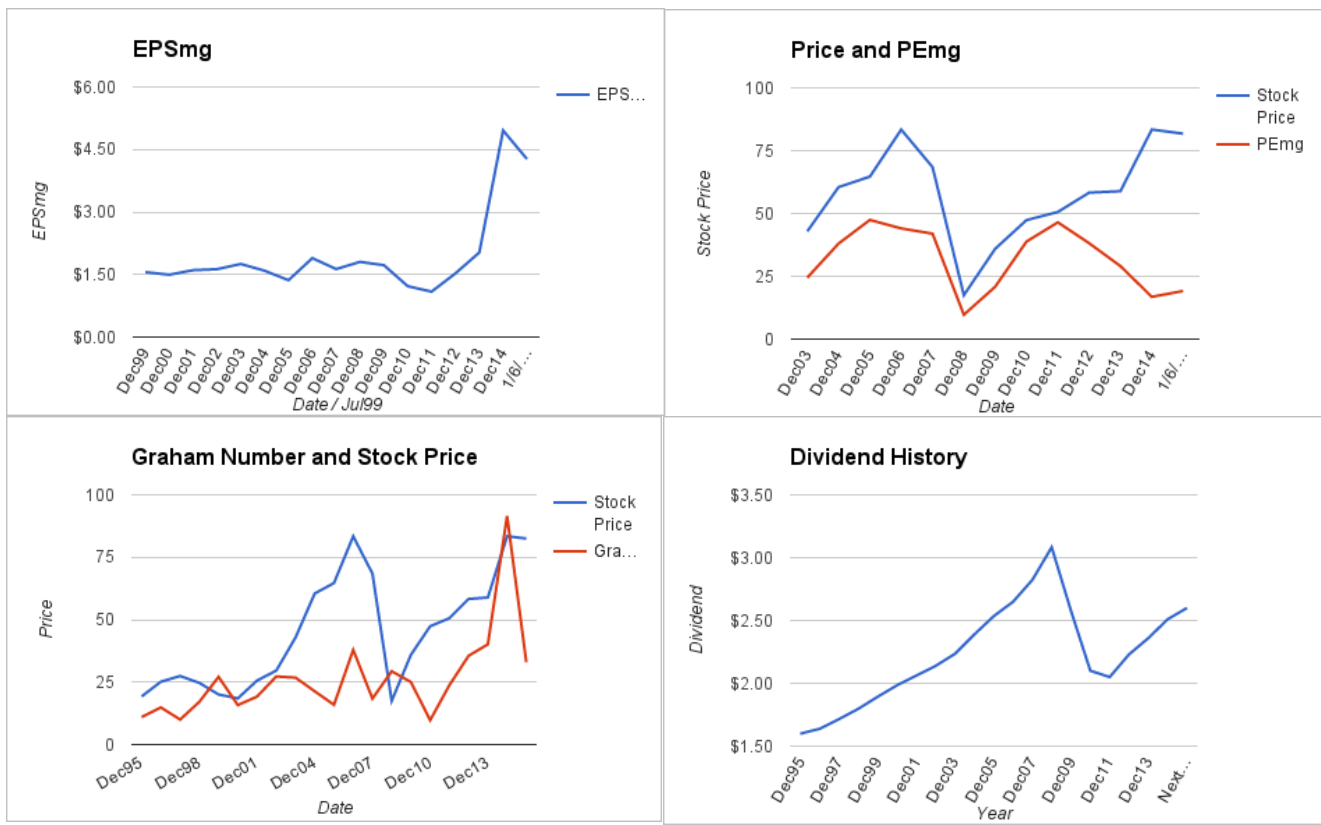
Net Current Asset Value (NCAV)	-\$48.51
Graham Number	\$32.96
PEmg	19.15
Current Ratio	0.37
PB Ratio	2.39
Dividend Yield	3.18%
Number of Consecutive Years of Dividend Growth	4

### 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	\$1.41	Next Fiscal Year Estimate	\$4.27
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 Sep15</b>	
Dec97	\$0.82	Total Current Assets	\$227,640,000
Dec96	\$0.86	Total Current Liabilities	\$616,262,000
Dec95	\$0.70	Long-Term Debt	\$6,826,158,000
		Total Assets	\$13,350,180,000
		Intangible Assets	\$272,658,000
		Total Liabilities	\$7,922,205,000
		Shares Outstanding (Diluted Average)	158,634,000





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 – December 2015](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – November 2015](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – September 2015](#)
- [15 Best Stocks For Value Investors This Week – 9/4/15](#)
- [Macerich Company Analysis – September 2015 Update \\$MAC](#)

**Other ModernGraham posts about related companies**

- [American Tower Corp Valuation – November 2015 Update \\$AMT](#)
- [Weyerhaeuser Co Valuation – November 2015 Update \\$WY](#)
- [Boston Properties Inc. Valuation – November 2015 Update \\$BXP](#)
- [Welltower Inc. Valuation – November 2015 Update \\$HCN](#)
- [Kimco Realty Corporation Valuation – November 2015 Update \\$KIM](#)
- [Prologis Inc. Valuation – October 2015 Update \\$PLD](#)
- [HCP Inc. Valuation – October 2015 Update \\$HCP](#)
- [Essex Property Trust Inc. Analysis – October 2015 Update \\$ESS](#)
- [Macerich Company Analysis – September 2015 Update \\$MAC](#)
- [Alexandria Real Estate Equities Inc. Analysis – Initial Coverage \\$ARE](#)