# **ModernGraham Valuation**

## **Company Name:**

General Growth Properties Inc



3.29 Fail

Company Ticker
Date of Analysis

6/24/2016

# 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.

7. Moderate Price to Assets

GGP

1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$25,434,524,023 Pass
2	Sufficiently Strong Financial Condition	Current Ratio > 2	1.10 Fail
3.	Earnings Stability	Positive EPS for 10 years prior	Fail
4.	Dividend Record	Dividend Payments for 10 years prior	Fail
5	. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-227.56% Fail
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6.	. Moderate PEmg Ratio	PEmg < 20	27.92 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	1.10 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	130.14 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Fail
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

PB Ratio < 2.5 OR PB\*PEmg < 50

Suitability

Defensive No Enterprising No

### Stage 2: Determination of Intrinsic Value

EPSmg	\$1.02
MG Growth Estimate	15.00%
MG Value	\$39.37
MG Value based on 3% Growth	\$14.83
MG Value based on 0% Growth	\$8.69
Market Implied Growth Rate	9.71%

MG Opinion

Current Price \$28.55
% of Intrinsic Value 72.51%
Opinion Undervalued

MG Grade C

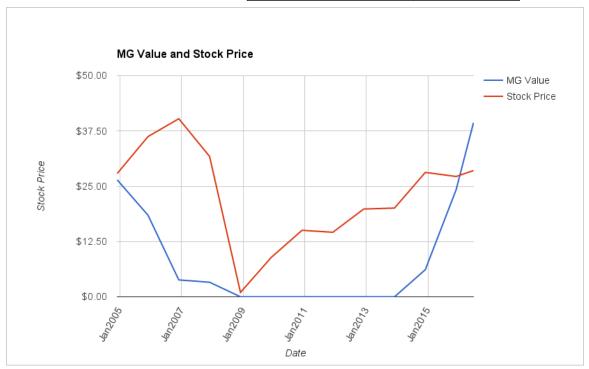
Stage 3: Information for Further Research

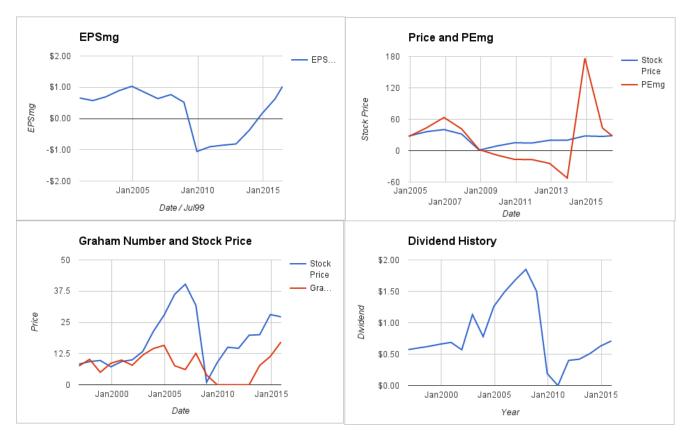
Net Current Asset Value (NCAV)	-\$14.90
Graham Number	\$17.44
PEmg	27.92
Current Ratio	1.10
PB Ratio	3.29
Current Dividend	\$0.71
Dividend Yield	2.49%
Number of Consecutive Years of Dividend Growth	6

 Useful Links:
 ModernGraham tagged articles
 Morningstar

Google Finance MSN Money

EPS History		EPSmg History	
Next Fiscal Year	04.40	No. 15' and Year 5' and	04.00
Estimate	•	Next Fiscal Year Estimate	\$1.02
Dec2015	\$1.43		\$0.63
Dec2014	\$0.69	Dec2014	\$0.16
Dec2013	\$0.31	Dec2013	-\$0.38
Dec2012	-\$0.52	Dec2012	-\$0.81
Dec2011	-\$0.37	Dec2011	-\$0.85
Dec2010	\$0.00	Dec2010	-\$0.90
Dec2009	-\$4.11	Dec2009	-\$1.05
Dec2008	\$0.10	Dec2008	\$0.52
Dec2007	\$1.18	Dec2007	\$0.76
Dec2006	\$0.24	Dec2006	\$0.64
Dec2005	\$0.32	Dec2005	\$0.83
Dec2004	\$1.21	Dec2004	\$1.03
Dec2003	\$1.22	Dec2003	\$0.89
Dec2002	\$0.98	Dec2002	\$0.69
Dec2001	\$0.43	Dec2001	\$0.57
Dec2000	\$0.73	Dec2000	\$0.66
Dec1999	\$0.55	Balance Sheet Information	3/1/2016
Dec1998	\$0.49	Total Current Assets	\$1,155,496,000
Dec1997	\$0.91	Total Current Liabilities	\$1,048,936,000
Dec1996	\$0.71	Long-Term Debt	\$13,868,216,000
		Total Assets	\$23,566,314,000
		Intangible Assets	\$392,318,000
		Total Liabilities	\$15,309,437,000
		Shares Outstanding (Diluted Average)	950,154,000





### 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  $\underline{40}$  Companies in the Spotlight This Week – 2/21/15

General Growth Properties Inc. Annual Valuation – 2015 \$GGP

14 Companies in the Spotlight This Week – 2/22/14 General Growth Properties (GGP) Annual Valuation

Other ModernGraham posts about related companies Boston Properties Inc Valuation – June 2016 \$BXP

Simon Property Group Inc Valuation – June 2016 \$SPG

AvalonBay Communities Inc Valuation - May 2016 \$AVB

Weyerhaeuser Company Valuation – May 2016 \$WY

Realty Income Corporation Valuation – May 2016 \$O

Welltower Inc. Valuation - May 2016 \$HCN

Starwood Property Trust Inc Stock Valuation – February 2016 \$STWD

Kimco Realty Corp Stock Valuation – February 2016 \$KIM

HCP Inc Valuation – January 2016 Update \$HCP

Macerich Co Valuation - January 2016 Update \$MAC