

# ModernGraham Valuation

## Company Name:

Company Ticker GGP  
Date of Analysis

General Growth  
Properties Inc

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.*

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
6. Moderate PEmg Ratio	PEmg < 20	27.92	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.29	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

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.02
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$39.37</b>
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%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C</b>

## 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 Estimate	\$1.49	Next Fiscal Year Estimate	\$1.02
Dec2015	\$1.43	Dec2015	\$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	<b>Balance Sheet Information 3/1/2016</b>	
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**

- [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](#)