

ModernGraham Valuation

Company Name:

Company Ticker SPG
Date of Analysis

Simon Property
Group Inc

6/11/2016



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	\$62,025,336,752 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.18 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	333.88% Pass
6. Moderate PEmg Ratio	PEmg < 20	28.90 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	13.50 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	1.18 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	108.77 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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$6.93
MG Growth Estimate	15.00%
MG Value	\$266.75
MG Value based on 3% Growth	\$100.47
MG Value based on 0% Growth	\$58.89
Market Implied Growth Rate	10.20%

MG Opinion

Current Price	\$200.26
% of Intrinsic Value	75.07%
Opinion	Fairly Valued
MG Grade	C-

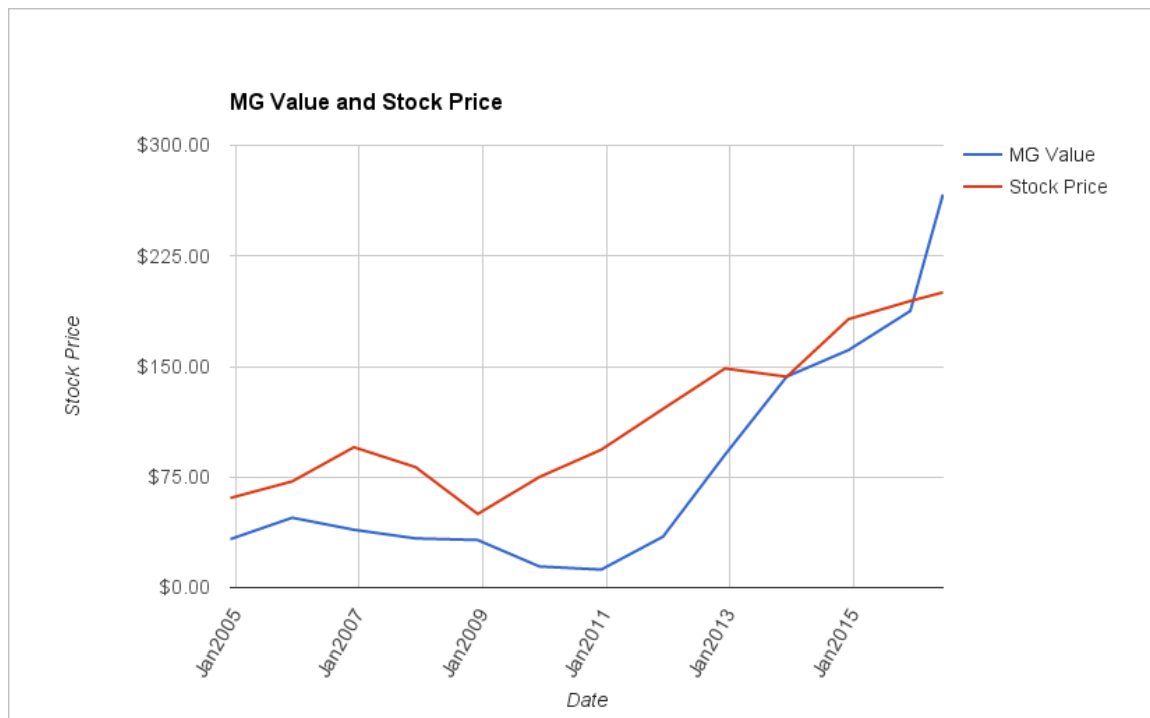
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$82.19
Graham Number	\$59.56
PEmg	28.90
Current Ratio	1.18
PB Ratio	13.50
Current Dividend	\$6.25
Dividend Yield	3.12%
Number of Consecutive Years of Dividend Growth	6

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$10.73	Next Fiscal Year Estimate	\$6.93
Dec2015	\$5.88	Dec2015	\$4.87
Dec2014	\$4.52	Dec2014	\$4.19
Dec2013	\$4.24	Dec2013	\$3.72
Dec2012	\$4.72	Dec2012	\$3.19
Dec2011	\$3.48	Dec2011	\$2.31
Dec2010	\$2.10	Dec2010	\$1.76
Dec2009	\$1.05	Dec2009	\$1.65
Dec2008	\$1.87	Dec2008	\$1.92
Dec2007	\$1.95	Dec2007	\$1.90
Dec2006	\$2.19	Dec2006	\$1.86
Dec2005	\$1.82	Dec2005	\$1.64
Dec2004	\$1.44	Dec2004	\$1.50
Dec2003	\$1.65	Dec2003	\$1.46
Dec2002	\$1.99	Dec2002	\$1.31
Dec2001	\$0.85	Dec2001	\$0.98
Dec2000	\$1.08	Dec2000	\$1.04
Dec1999	\$0.97	Balance Sheet Information 3/1/2016	
Dec1998	\$1.06	Total Current Assets	\$1,378,331,000
Dec1997	\$1.08	Total Current Liabilities	\$1,167,101,000
Dec1996	\$0.98	Long-Term Debt	\$22,975,821,000
		Total Assets	\$31,398,498,000
		Intangible Assets	\$0
		Total Liabilities	\$26,807,914,000
		Shares Outstanding (Diluted Average)	309,416,000





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.

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