

ModernGraham Valuation

Company Name:

Company Ticker HST
Date of Analysis

Host Hotels and
Resorts Inc

7/24/2016



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	\$13,690,174,761	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.15	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	109.40%	Pass
6. Moderate PEmg Ratio	PEmg < 20	17.96	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.91	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	1.15	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	123.78	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	\$1.00
MG Growth Estimate	15.00%
MG Value	\$38.40
MG Value based on 3% Growth	\$14.46
MG Value based on 0% Growth	\$8.48
Market Implied Growth Rate	4.73%

MG Opinion

Current Price	\$17.91
% of Intrinsic Value	46.64%
Opinion	Undervalued
MG Grade	B-

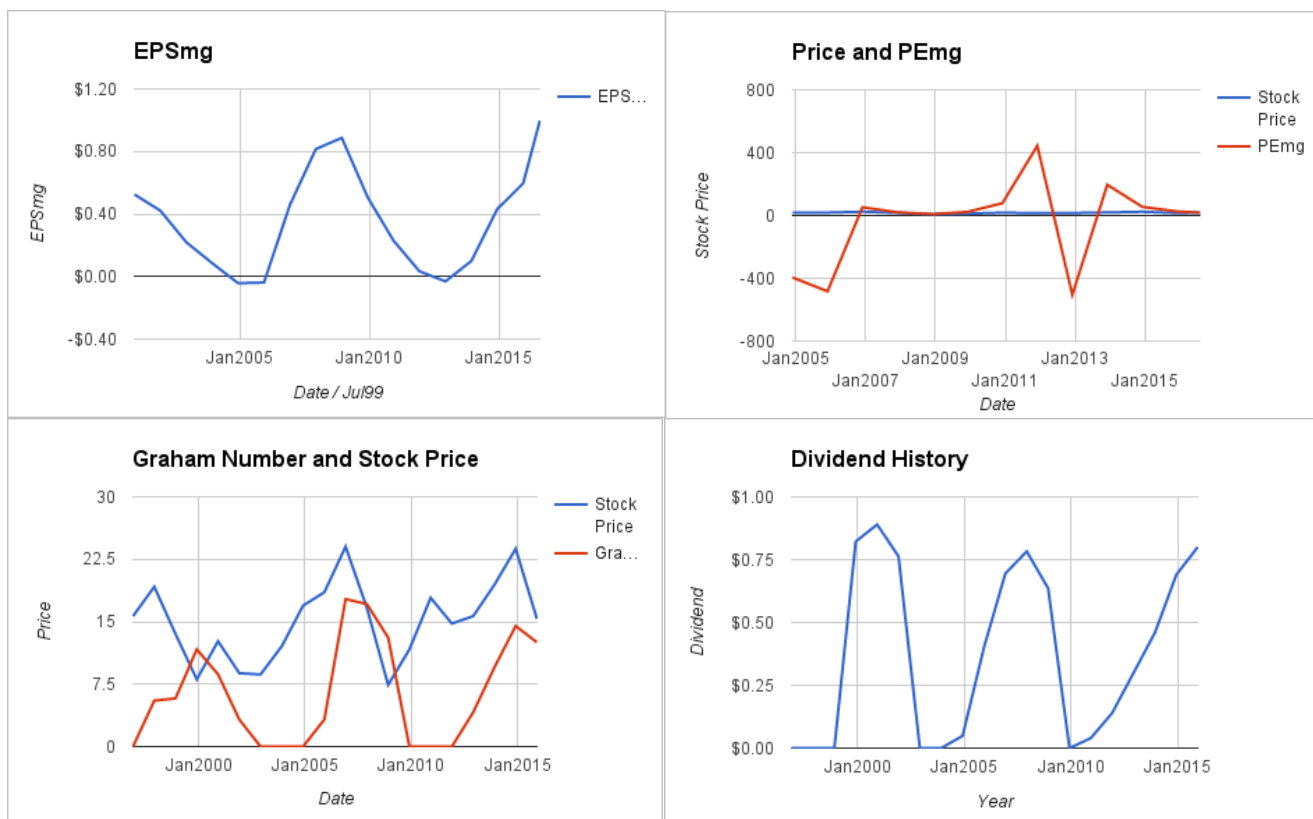
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$5.90
Graham Number	\$18.63
PEmg	17.96
Current Ratio	1.15
PB Ratio	1.91
Current Dividend	\$0.80
Dividend Yield	4.47%
Number of Consecutive Years of Dividend Growth	7

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	\$1.64	Next Fiscal Year Estimate	\$1.00
Dec2015	\$0.74	Dec2015	\$0.60
Dec2014	\$0.96	Dec2014	\$0.43
Dec2013	\$0.42	Dec2013	\$0.10
Dec2012	\$0.08	Dec2012	-\$0.03
Dec2011	-\$0.02	Dec2011	\$0.03
Dec2010	-\$0.21	Dec2010	\$0.23
Dec2009	-\$0.45	Dec2009	\$0.51
Dec2008	\$0.74	Dec2008	\$0.89
Dec2007	\$1.30	Dec2007	\$0.82
Dec2006	\$1.45	Dec2006	\$0.46
Dec2005	\$0.08	Dec2005	-\$0.04
Dec2004	-\$0.12	Dec2004	-\$0.04
Dec2003	-\$0.07	Dec2003	\$0.09
Dec2002	-\$0.19	Dec2002	\$0.22
Dec2001	\$0.08	Dec2001	\$0.42
Dec2000	\$0.62	Dec2000	\$0.52
Dec1999	\$0.90	Balance Sheet Information 3/1/2016	
Dec1998	\$0.26	Total Current Assets	\$249,000,000
Dec1997	\$0.24	Total Current Liabilities	\$217,000,000
Dec1996	-\$0.07	Long-Term Debt	\$3,961,000,000
		Total Assets	\$11,690,000,000
		Intangible Assets	\$0
		Total Liabilities	\$4,670,000,000
		Shares Outstanding (Diluted Average)	749,700,000





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**

[23 Companies in the Spotlight This Week – 3/9/15](#)
[Host Hotels and Resorts Inc. Annual Valuation – 2015 \\$HST](#)
[16 Companies in the Spotlight This Week – 3/8/14](#)
[Host Hotels and Resorts \(HST\) Annual Valuation](#)

**Other
ModernGraham
posts about related
companies**

[Public Storage Valuation – July 2016 \\$PSA](#)
[Macerich Co Valuation – July 2016 \\$MAC](#)
[HCP Inc Valuation – July 2016 \\$HCP](#)
[Apartment Investment & Management Co Valuation – July 2016 \\$AIV](#)
[Crown Castle International Corp Valuation – June 2016 \\$CCI](#)
[General Growth Properties Inc Valuation – June 2016 \\$GGP](#)
[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](#)