

ModernGraham Valuation

Company Name:

SL Green Realty Corp

Company Ticker

SLG

Date of Analysis

8/30/2016



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	\$11,693,396,500	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.21	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-29.51%	Fail
5. Earnings Growth	PEmg < 20	32.91	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.65	Pass
7. Moderate Price to Assets			

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	2.21	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	14.03	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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.50
MG Growth Estimate	-0.84%
MG Value	\$23.88
MG Value based on 3% Growth	\$50.78
MG Value based on 0% Growth	\$29.77
Market Implied Growth Rate	12.20%

MG Opinion

Current Price	\$115.25
% of Intrinsic Value	482.69%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$87.69
Graham Number	\$83.97
PEmg	32.91
Current Ratio	2.21
PB Ratio	1.65
Current Dividend	\$2.76
Dividend Yield	2.39%
Number of Consecutive Years of Dividend Growth	6

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.42	Next Fiscal Year Estimate	\$3.50
Dec2015	\$2.70	Dec2015	\$3.24
Dec2014	\$5.23	Dec2014	\$3.59
Dec2013	\$1.10	Dec2013	\$2.79
Dec2012	\$1.74	Dec2012	\$3.71
Dec2011	\$7.33	Dec2011	\$5.02
Dec2010	\$3.45	Dec2010	\$4.26
Dec2009	\$0.54	Dec2009	\$4.79
Dec2008	\$6.20	Dec2008	\$6.56
Dec2007	\$10.78	Dec2007	\$6.21
Dec2006	\$4.38	Dec2006	\$3.76
Dec2005	\$3.20	Dec2005	\$3.27
Dec2004	\$4.75	Dec2004	\$3.16
Dec2003	\$2.66	Dec2003	\$2.31
Dec2002	\$2.09	Dec2002	\$2.06
Dec2001	\$1.94	Dec2001	\$2.01
Dec2000	\$2.93	Dec2000	\$1.88
Dec1999	\$1.37	Balance Sheet Information 6/1/2016	
Dec1998	\$1.19	Total Current Assets	\$1,036,703,000
Dec1997	\$2.22	Total Current Liabilities	\$469,079,000
Dec1996	\$0.00	Long-Term Debt	\$7,962,220,000
		Total Assets	\$17,544,223,000
		Intangible Assets	\$0
		Total Liabilities	\$10,225,933,000
		Shares Outstanding (Diluted Average)	104,792,000





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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