ModernGraham Valuation

Company Name:

Company Ticker CHSP Date of Analysis Chesapeake Lodging Trust



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

12/20/2016

Defensive Investor; must pass 6 out of the following 7 tests.

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1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$1,599,322,482	Fall
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	2.08	Pass
3.	Earnings Stability	Positive EPS for 10 years prior		Fail
4.	Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at		Fail
5.	Earnings Growth	beginning and end	10233.33%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	27.29	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.31	Pass
Enterprising Investor; mus	st pass 4 out of the following 5 tests, or be s	uitable for the Defensive Investor.		
1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.08	Pass
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	10.18	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	9	No
Enterprisi	ing	Yes

Stage 2: Determination of Intrinsic Value

	EPSmg		\$0.98
	MG Growth Estimate		15.00%
	MG Value		\$37.65
	MG Value based on 3% Growth		\$14.18
	MG Value based on 0% Growth		\$8.31
	Market Implied Growth Rate		9.40%
MG Opinion			
	Current Price		\$26.69
	% of Intrinsic Value		70.88%
	Opinion	Undervalued	
	MG Grade	В	

Stage 3: Information for Further Research

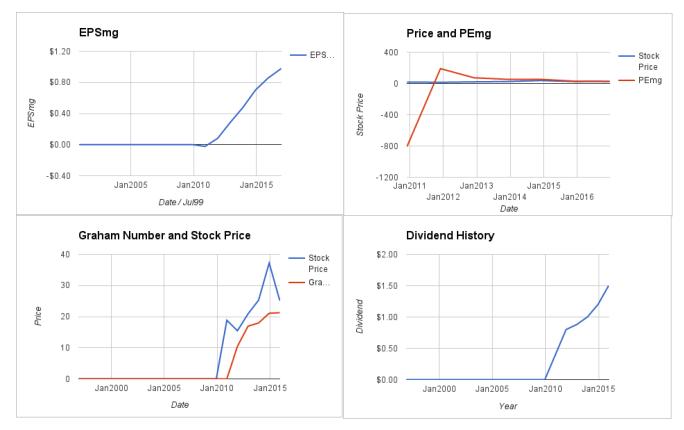
Net Current Asset Value (NCAV)	-\$12.24
Graham Number	\$22.35
PEmg	27.29
Current Ratio	2.08
PB Ratio	1.31
Current Dividend	\$1.60
Dividend Yield	5.99%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$0.9
Dec2015	\$0.99	Dec2015	\$0.8
Dec2014	\$1.00	Dec2014	\$0.7
Dec2013	\$0.75	Dec2013	\$0.4
Dec2012	\$0.66	Dec2012	\$0.2
Dec2011	\$0.30	Dec2011	\$0.0
Dec2010	-\$0.07	Dec2010	-\$0.0
Dec2009	\$0.00	Dec2009	\$0.0
Dec2008	\$0.00	Dec2008	\$0.0
Dec2007	\$0.00	Dec2007	\$0.0
Dec2006	\$0.00	Dec2006	\$0.0
Dec2005	\$0.00	Dec2005	\$0.0
Dec2004	\$0.00	Dec2004	\$0.0
Dec2003	\$0.00	Dec2003	\$0.0
Dec2002	\$0.00	Dec2002	\$0.0
Dec2001	\$0.00	Dec2001	\$0.0
Dec2000	\$0.00	Dec2000	\$0.0
Dec1999	\$0.00	Balance Sheet Information	9/1/201
Dec1998	\$0.00	Total Current Assets	\$142,166,00
Dec1997	\$0.00	Total Current Liabilities	\$68,498,00
Dec1996	\$0.00	Long-Term Debt	\$749,979,00
		Total Assets	\$2,065,426,00
		Intangible Assets	\$35,980,00
		Total Liabilities	\$863,630,00
		Shares Outstanding (Diluted Average)	58,928,00





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 #N/A

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