

# ModernGraham Valuation

## Company Name:

Company Ticker CHSP

Date of Analysis

12/20/2016

Chesapeake Lodging  
Trust



## 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	\$1,599,322,482	Fail
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		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	10233.33%	Pass
5. Earnings Growth			
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; 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	2.08	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.98
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$37.65</b>
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%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B</b>

## 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

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$1.11		\$0.98
Dec2015	\$0.99	Dec2015	\$0.85
Dec2014	\$1.00	Dec2014	\$0.70
Dec2013	\$0.75	Dec2013	\$0.48
Dec2012	\$0.66	Dec2012	\$0.29
Dec2011	\$0.30	Dec2011	\$0.08
Dec2010	-\$0.07	Dec2010	-\$0.02
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$142,166,000
Dec1997	\$0.00	Total Current Liabilities	\$68,498,000
Dec1996	\$0.00	Long-Term Debt	\$749,979,000
		Total Assets	\$2,065,426,000
		Intangible Assets	\$35,980,000
		Total Liabilities	\$863,630,000
		Shares Outstanding (Diluted Average)	58,928,000





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

#N/A

Other  
ModernGraham  
posts about related  
companies

[Sabra Health Care REIT Inc Valuation – Initial Coverage \\$SBRA](#)  
[National Retail Properties Inc Valuation – November 2016 \\$NNN](#)  
[Welltower Inc Valuation – November 2016 \\$HCN](#)  
[Realty Income Corp Valuation – November 2016 \\$O](#)  
[American Campus Communities Valuation – November 2016 \\$ACC](#)  
[Ventas Inc Valuation – August 2016 \\$VTR](#)  
[SL Green Realty Corp Valuation – August 2016 \\$SLG](#)  
[Starwood Property Trust Inc Valuation – August 2016 \\$STWD](#)  
[Kimco Realty Corp Valuation – August 2016 \\$KIM](#)  
[Equity Residential Valuation – August 2016 \\$EQR](#)