

ModernGraham Valuation

Company Name:

Company Ticker NNN

Date of Analysis

12/4/2016

National Retail
Properties, Inc.



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	\$6,263,922,442	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.19	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	-14.71%	Fail
6. Moderate PEmg Ratio	PEmg < 20	34.16	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.72	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	0.19	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-11.22	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	\$1.23
MG Growth Estimate	4.05%
MG Value	\$20.46
MG Value based on 3% Growth	\$17.86
MG Value based on 0% Growth	\$10.47
Market Implied Growth Rate	12.83%

MG Opinion

Current Price	\$42.08
% of Intrinsic Value	205.72%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.25
Graham Number	\$24.72
PEmg	34.16
Current Ratio	0.19
PB Ratio	1.72
Current Dividend	\$1.76
Dividend Yield	4.18%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

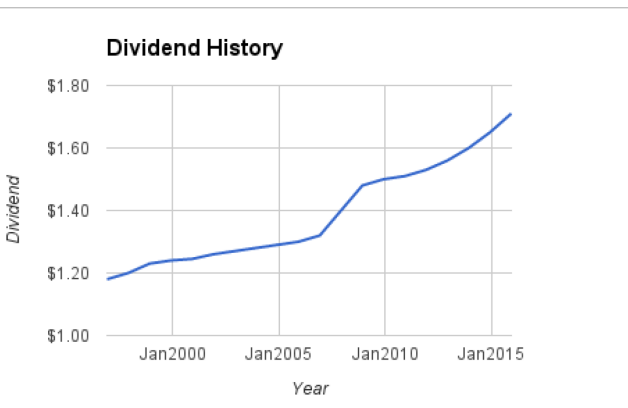
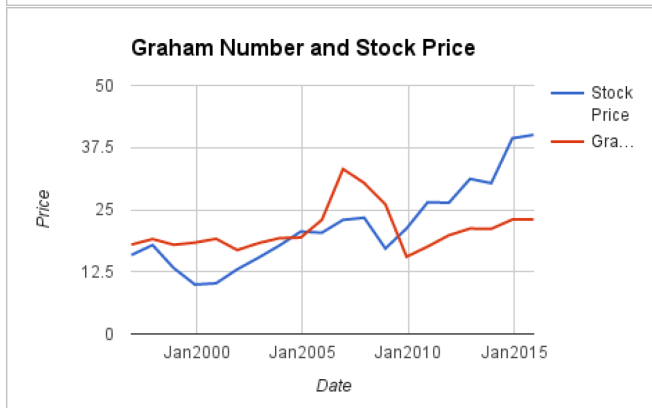
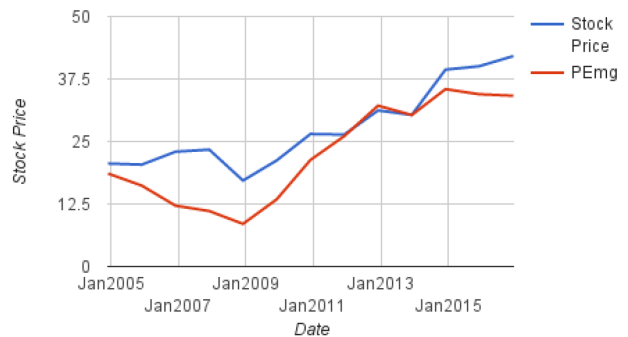
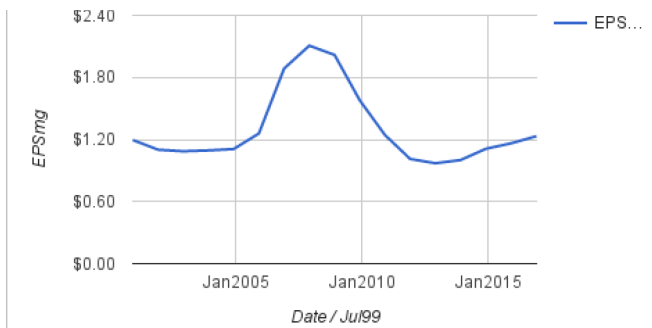
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.33	Next Fiscal Year Estimate	\$1.23
Dec2015	\$1.20	Dec2015	\$1.16
Dec2014	\$1.24	Dec2014	\$1.11
Dec2013	\$1.10	Dec2013	\$1.00
Dec2012	\$1.11	Dec2012	\$0.97
Dec2011	\$0.96	Dec2011	\$1.01
Dec2010	\$0.80	Dec2010	\$1.24
Dec2009	\$0.60	Dec2009	\$1.58
Dec2008	\$1.56	Dec2008	\$2.02
Dec2007	\$2.26	Dec2007	\$2.11
Dec2006	\$3.05	Dec2006	\$1.89
Dec2005	\$1.56	Dec2005	\$1.26
Dec2004	\$1.15	Dec2004	\$1.11
Dec2003	\$1.13	Dec2003	\$1.09
Dec2002	\$1.09	Dec2002	\$1.09
Dec2001	\$0.91	Dec2001	\$1.10
Dec2000	\$1.26	Dec2000	\$1.19
Dec1999	\$1.16	Balance Sheet Information 9/16/2016	
Dec1998	\$1.10	Total Current Assets	\$41,284,000
Dec1997	\$1.25	Total Current Liabilities	\$216,992,000
Dec1996	\$1.18	Long-Term Debt	\$1,970,976,000
		Total Assets	\$5,856,363,000
		Intangible Assets	\$0
		Total Liabilities	\$2,277,514,000
		Shares Outstanding (Diluted Average)	146,682,000



EPSmg

Price and PEmg



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 [National Retail Properties Inc. Analysis – Initial Coverage \\$NNN](#)

Other ModernGraham posts about related companies [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](#)
[Host Hotels and Resorts Inc Valuation – July 2016 \\$HST](#)
[Iron Mountain Inc Valuation – July 2016 \\$IRM](#)