ModernGraham Valuation

Company Name:

Digital Realty Trust, Inc.



Company Ticker Date of Analysis

3/5/2017

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.

DLR

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$17,382,182,416	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.65	Fail
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		
Earnings Growth	beginning and end	200.60%	Pass

6. Moderate PEmg Ratio PEmg < 20 68.05 Fail 7. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 3.20 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.65 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-17.06 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

\$108.33

653.61%

Score

Suitability

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.59
MG Growth Estimate	0.96%
MG Value	\$16.57
MG Value based on 3% Growth	\$23.08
MG Value based on 0% Growth	\$13.53
Market Implied Growth Rate	29.77%

% of Intrinsic Value

Opinion Overvalued MG Grade

Stage 3: Information for Further Research

Current Price

Net Current Asset Value (NCAV)	-\$42.94
Graham Number	\$26.99
PEmg	68.05
Current Ratio	0.65
PB Ratio	3.20
Current Dividend	\$3.52
Dividend Yield	3.25%
Number of Consecutive Years of Dividend	44
Growth	14

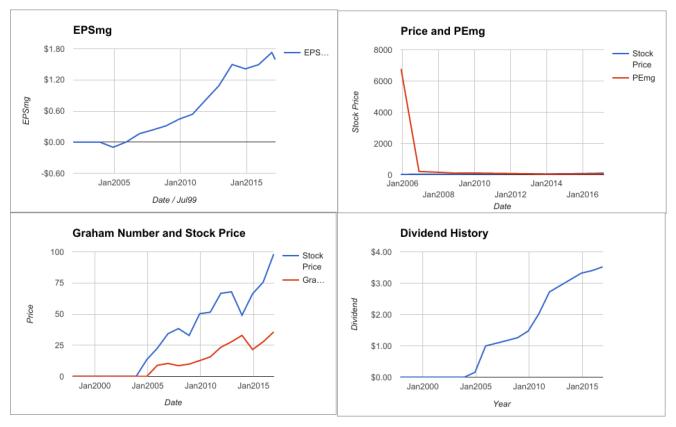
Morningstar

Useful Links: ModernGraham tagged articles

Google Finance **MSN Money** Yahoo Finance Seeking Alpha **SEC Filings GuruFocus**

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$1.26	Next Fiscal Year Estimate	\$1.59
Dec2016	\$2.20	Dec2016	\$1.73
Dec2015	\$1.56	Dec2015	\$1.49
Dec2014	\$0.99	Dec2014	\$1.41
Dec2013	\$2.12	Dec2013	\$1.50
Dec2012	\$1.48	Dec2012	\$1.09
Dec2011	\$1.32	Dec2011	\$0.81
Dec2010	\$0.68	Dec2010	\$0.54
Dec2009	\$0.61	Dec2009	\$0.44
Dec2008	\$0.38	Dec2008	\$0.31
Dec2007	\$0.30	Dec2007	\$0.24
Dec2006	\$0.47	Dec2006	\$0.16
Dec2005	\$0.25	Dec2005	\$0.00
Dec2004	-\$0.30	Dec2004	-\$0.10
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information	12/1/2016
Dec1999	\$0.00	Total Current Assets	\$626,735,000
Dec1998	\$0.00	Total Current Liabilities	\$969,072,000
Dec1997	\$0.00	Long-Term Debt	\$5,838,607,000
		Total Assets	\$12,192,585,000
		Intangible Assets	\$2,125,750,000
		Total Liabilities	\$7,096,570,000
		Shares Outstanding (Diluted Average)	150,680,000





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 American Tower Corp Valuation – February 2017 \$AMT

<u>Chartwell Retirement Residences Valuation – Initial Coverage \$TSE:CSH.UN</u>

Equity Residential Valuation – February 2017 \$EQR

Communications Sales & Leasing Valuation - Initial Coverage \$CSAL

Kite Realty Group Trust Valuation - Initial Coverage \$KRG

<u>Kilroy Realty Corp Valuation – Initial Coverage \$KRC</u>

<u>Crombie Real Estate Investment Trust Valuation – Initial Coverage \$TSE:CRR.UN</u>

Smart REIT Valuation - Initial Coverage \$TSE:SRU.UN

Prologis Inc Valuation – February 2017 \$PLD

<u>Camden Property Trust Valuation – Initial Coverage \$CPT</u>