

ModernGraham Valuation

Company Name:

Company Ticker DLR

Date of Analysis

3/5/2017

Digital Realty Trust,
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	\$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 beginning and end	200.60%	Pass
5. Earnings Growth			
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.

1. 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
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

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%

MG Opinion

Current Price	\$108.33
% of Intrinsic Value	653.61%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

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 Growth	14

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		Next Fiscal Year Estimate	
	\$1.26		\$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](#)
[Chartwell Retirement Residences Valuation – Initial Coverage \\$TSE:CSH.UN](#)
[Equity Residential Valuation – February 2017 \\$EQR](#)
[Communications Sales & Leasing Valuation – Initial Coverage \\$CSAL](#)
[Kite Realty Group Trust Valuation – Initial Coverage \\$KRG](#)
[Kilroy Realty Corp Valuation – Initial Coverage \\$KRC](#)
[Crombie Real Estate Investment Trust Valuation – Initial Coverage \\$TSE:CRR.UN](#)
[Smart REIT Valuation – Initial Coverage \\$TSE:SRU.UN](#)
[Prologis Inc Valuation – February 2017 \\$PLD](#)
[Camden Property Trust Valuation – Initial Coverage \\$CPT](#)