ModernGraham Valuation

Company Name:

Essex Property Trust Inc



Company Ticker

Date of Analysis 3/14/2017

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$14,771,574,817 Pass	
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.40 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		
5. Earnings Growth	beginning and end	115.80% Pass	
Moderate PEmg Ratio	PEmg < 20	55.27 Fail	
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.39 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	1.40 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	48.54 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	\$4.08
MG Growth Estimate	6.46%
MG Value	\$87.33
MG Value based on 3% Growth	\$59.12
MG Value based on 0% Growth	\$34.66
Market Implied Growth Rate	23.38%

MG Opinion

\$225.35 Current Price % of Intrinsic Value 258.03%

Opinion Overvalued C-

MG Grade

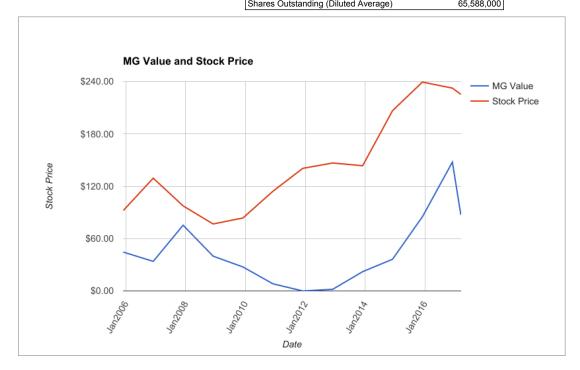
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$85.78
Graham Number	\$86.14
PEmg	55.27
Current Ratio	1.40
PB Ratio	2.39
Current Dividend	\$6.40
Dividend Yield	2.84%
Number of Consecutive Years of Dividend Growth	20
Olowai	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		Next Fiscal Year Estimate	\$4.08
Dec2016	\$6.27	Dec2016	\$4.20
Dec2015	\$3.49		\$3.06
Dec2014	\$2.06		\$2.69
Dec2013	\$4.04		\$2.85
Dec2012	\$3.41	Dec2012	\$2.22
Dec2011	\$1.24	Dec2011	\$1.86
Dec2010	\$1.14	Dec2010	\$2.30
Dec2009	\$2.91	Dec2009	\$2.92
Dec2008	\$2.09	Dec2008	\$2.98
Dec2007	\$4.24	Dec2007	\$3.28
Dec2006	\$2.45	Dec2006	\$2.76
Dec2005	\$3.32	Dec2005	\$2.84
Dec2004	\$3.36	Dec2004	\$2.57
Dec2003	\$1.57	Dec2003	\$2.22
Dec2002	\$2.60	Dec2002	\$2.45
Dec2001	\$2.63	Dec2001	\$2.29
Dec2000	\$2.37	Balance Sheet Information	12/1/2016
Dec1999	\$2.36	Total Current Assets	\$398,911,000
Dec1998	\$1.36	Total Current Liabilities	\$284,305,000
Dec1997	\$1.92	Long-Term Debt	\$5,563,260,000
		Total Assets	\$12,217,408,000
		Intangible Assets	\$0
		Total Liabilities	\$6,025,230,000
		Shares Outstanding (Diluted Average)	65,588,000





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 Essex Property Trust Inc. Analysis – October 2015 Update \$ESS Essex Property Trust Inc. Analysis – Initial Coverage \$ESS

Other ModernGraham posts about related companies Caretrust REIT Inc Valuation - Initial Coverage \$CTRE

<u>Federal Realty Investment Trust Valuation – Initial Coverage \$FRT</u>

Extra Space Storage Inc Valuation – Initial Coverage \$EXR

UDR Inc Valuation - Initial Coverage \$UDR

<u>Digital Realty Trust Inc Valuation – Initial Coverage \$DLR</u>

Mid-America Apartment Communities Inc Valuation – Initial Coverage \$MAA

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