

ModernGraham Valuation

LaSalle Hotel
Properties



Company Name:

Company Ticker LHO

Date of Analysis

3/16/2017

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$3,329,000,041	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Fail
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-988.89%	Fail
5. Moderate PEmg Ratio	PEmg < 20	21.82	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.30	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior		Pass
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	1.35
MG Growth Estimate	15.00%
MG Value	\$51.95
MG Value based on 3% Growth	\$19.57
MG Value based on 0% Growth	\$11.47
Market Implied Growth Rate	6.66%

MG Opinion

Current Price	\$29.44
% of Intrinsic Value	56.67%
Opinion	Undervalued
MG Grade	C+

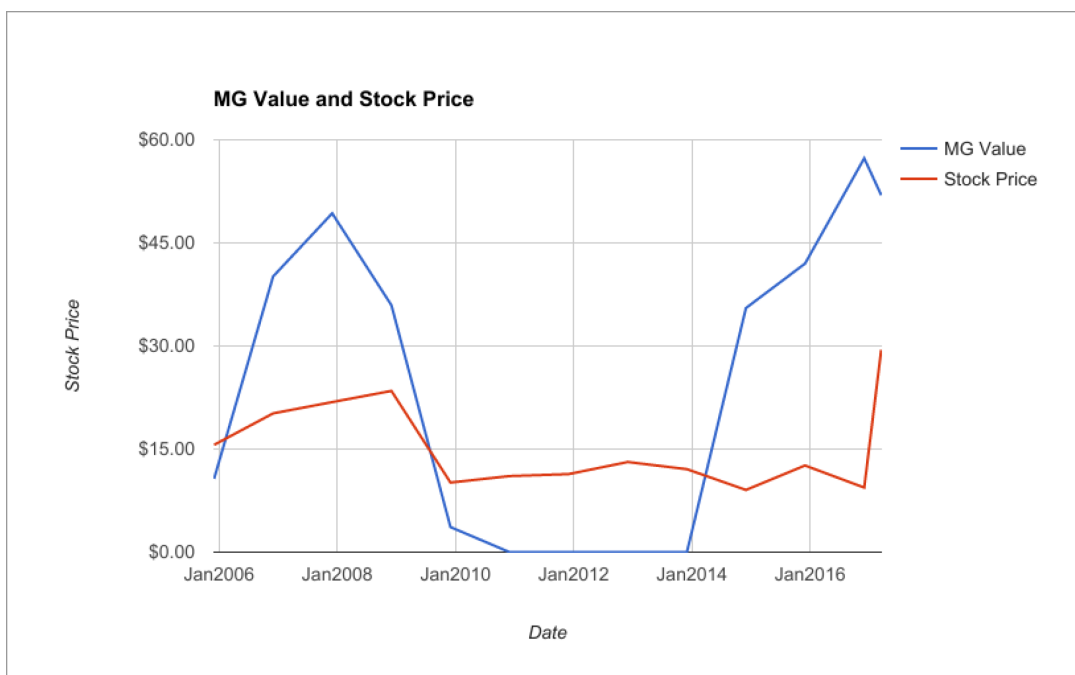
Stage 3: Information for Further Research

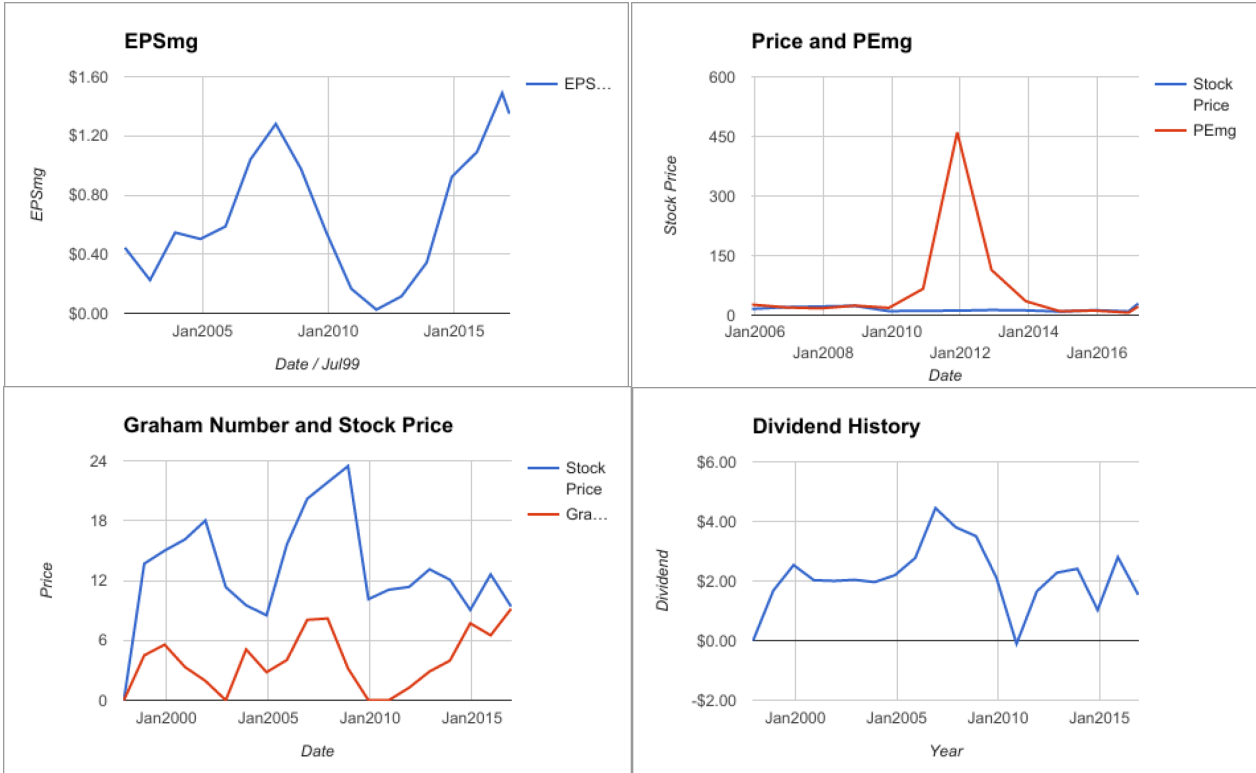
Graham Number	\$5.83
PEmg	21.82
PB Ratio	1.30
Dividend Yield	10.24%
Number of Consecutive Years of Dividend Growth	1

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	\$0.84	Next Fiscal Year Estimate	\$1.35
Dec2016	\$2.07	Dec2016	\$1.49
Dec2015	\$1.09	Dec2015	\$1.09
Dec2014	\$1.88	Dec2014	\$0.92
Dec2013	\$0.73	Dec2013	\$0.34
Dec2012	\$0.52	Dec2012	\$0.12
Dec2011	\$0.16	Dec2011	\$0.02
Dec2010	-\$0.36	Dec2010	\$0.17
Dec2009	-\$0.34	Dec2009	\$0.55
Dec2008	\$0.25	Dec2008	\$0.98
Dec2007	\$1.53	Dec2007	\$1.28
Dec2006	\$1.85	Dec2006	\$1.04
Dec2005	\$0.67	Dec2005	\$0.59
Dec2004	\$0.39	Dec2004	\$0.50
Dec2003	\$1.37	Dec2003	\$0.55
Dec2002	-\$0.21	Dec2002	\$0.22
Dec2001	\$0.21	Dec2001	\$0.44
Dec2000	\$0.32		
Dec1999	\$0.91		
Dec1998	\$0.80		
Dec1997	\$0.00		
		Balance Sheet Information 12/1/2016	
		Long-Term Debt & Capital Lease Obligation	\$1,118,707,000
		Total Assets	\$3,944,079,000
		Intangible Assets	\$0
		Total Liabilities	\$1,386,014,000
		Shares Outstanding (Diluted Average)	113,165,000





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

- [Cousins Properties Inc Valuation – Initial Coverage \\$CUZ](#)
- [Cominar Real Estate Investment Trust – Initial Coverage \\$TSE:CUF.UN](#)
- [Essex Property Trust Inc Valuation – March 2017 \\$ESS](#)
- [Caretrust REIT Inc Valuation – Initial Coverage \\$CTRE](#)
- [Federal Realty Investment Trust Valuation – Initial Coverage \\$FRT](#)
- [Extra Space Storage Inc Valuation – Initial Coverage \\$EXR](#)
- [UDR Inc Valuation – Initial Coverage \\$UDR](#)
- [Digital Realty Trust Inc Valuation – Initial Coverage \\$DLR](#)
- [Mid-America Apartment Communities Inc Valuation – Initial Coverage \\$MAA](#)
- [American Tower Corp Valuation – February 2017 \\$AMT](#)