

# ModernGraham Valuation

Mid-America  
Apartment  
Communities Inc



**Company Name:**

Company Ticker MAA

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.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$11,445,455,685	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.28	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	341.95%	Pass
5. Earnings Growth	PEmg < 20	37.93	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.24	Pass
7. Moderate Price to Assets			

*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	0.28	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-14.42	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.67
MG Growth Estimate	6.89%
<b>MG Value</b>	<b>\$59.41</b>
MG Value based on 3% Growth	\$38.65
MG Value based on 0% Growth	\$22.66
Market Implied Growth Rate	14.71%

### MG Opinion

Current Price	\$101.09
% of Intrinsic Value	170.16%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$64.45
Graham Number	\$49.88
PEmg	37.93
Current Ratio	0.28
PB Ratio	1.24
Current Dividend	\$3.28
Dividend Yield	3.24%
Number of Consecutive Years of Dividend Growth	7

### Useful Links:

[ModernGraham tagged articles](#)

[Google Finance](#)

[Yahoo Finance](#)

[Morningstar](#)

[MSN Money](#)

[Seeking Alpha](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.96	Next Fiscal Year Estimate	\$2.67
Dec2016	\$2.69	Dec2016	\$2.94
Dec2015	\$4.41	Dec2015	\$2.87
Dec2014	\$1.97	Dec2014	\$1.98
Dec2013	\$2.25	Dec2013	\$1.83
Dec2012	\$2.56	Dec2012	\$1.47
Dec2011	\$1.31	Dec2011	\$0.91
Dec2010	\$0.56	Dec2010	\$0.70
Dec2009	\$0.85	Dec2009	\$0.71
Dec2008	\$0.64	Dec2008	\$0.61
Dec2007	\$1.01	Dec2007	\$0.53
Dec2006	\$0.29	Dec2006	\$0.25
Dec2005	\$0.25	Dec2005	\$0.24
Dec2004	\$0.50	Dec2004	\$0.27
Dec2003	-\$0.07	Dec2003	\$0.26
Dec2002	-\$0.11	Dec2002	\$0.49
Dec2001	\$0.72	Dec2001	\$0.77
Dec2000	\$0.78	<b>Balance Sheet Information 12/1/2016</b>	
Dec1999	\$0.93	Total Current Assets	\$121,800,000
Dec1998	\$0.82	Total Current Liabilities	\$433,776,000
Dec1997	\$0.43	Long-Term Debt	\$4,499,712,000
		Total Assets	\$11,604,491,000
		Intangible Assets	\$1,239,000
		Total Liabilities	\$5,200,672,000
		Shares Outstanding (Diluted Average)	78,800,000





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](#)