# **ModernGraham Valuation**

Mid-America **Apartment** Communities Inc



# **Company Name:**

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.

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
Dividend Record	Dividend Payments for 10 years prior	Pass
5. Faminas Ossath	Increase of 33% in EPS in past 10 years using 3 year averages at	044.0F% D
5. Earnings Growth	beginning and end	341.95% Pass

6. Moderate PEmg Ratio PEmg < 20 37.93 Fail 7. Moderate Price to Assets PB Ratio < 2.5 OR PB\*PEmg < 50 1.24 Pass

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

 Sufficiently Strong Financial Condition 0.28 Fail Current Ratio > 1.5 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

Defensive No Enterprising No

### Stage 2: Determination of Intrinsic Value

EPSmg	\$2.67
MG Growth Estimate	6.89%
MG Value	\$59.41
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%

Opinion Overvalued

MG Grade D

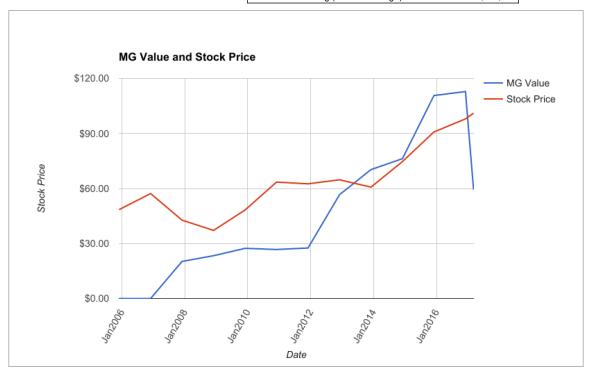
## Stage 3: Information for Further Research

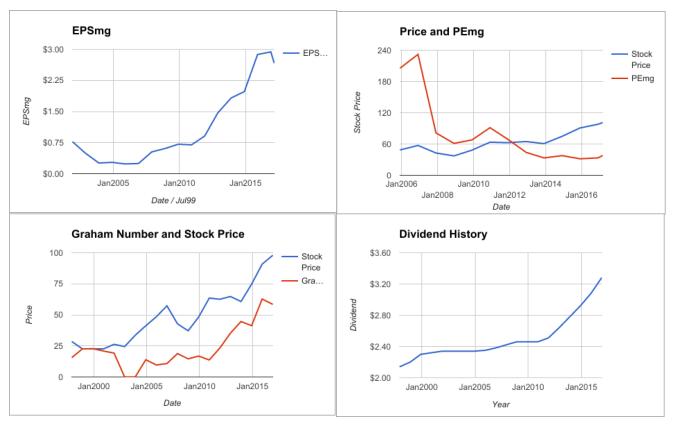
Net Current Asset Value (NCAV)	-\$64.45
Graham Number	\$49.88
PEmg	37.93
Current Ratio	0.28
PB Ratio	1.24
Current Dividend	\$3.28
Dividend Yield	3.24%
Number of Consecutive Years of Dividend Growth	7

**Useful Links:** ModernGraham tagged articles

Morningstar Google Finance **MSN Money** Yahoo Finance Seeking Alpha <u>GuruFocus</u> <u>SEC Filings</u>

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	• • • •	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	Balance Sheet Information	12/1/2016
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

<u>Communications Sales & Leasing Valuation – Initial Coverage \$CSAL</u>

<u>Kite Realty Group Trust Valuation – Initial Coverage \$KRG</u>

Kilroy Realty Corp Valuation - Initial Coverage \$KRC

<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

Camden Property Trust Valuation - Initial Coverage \$CPT