

# ModernGraham Valuation

Company Name:

UDR, Inc.

Company Ticker UDR

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  | \$9,471,963,779 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2  | 0.15            | Fail |
| 3. Earnings Stability                      | Positive EPS for 10 years prior  |                 | Fail |
| 4. Dividend Record                         | Dividend Payments for 10 years prior   |                 | Pass |
| 5. Earnings Growth                         | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | -34.26%         | Fail |
| 6. Moderate PEmg Ratio                     | PEmg < 20  | 50.19           | Fail |
| 7. Moderate Price to Assets                | PB Ratio < 2.5 OR PB*PEmg < 50   | 3.10            | 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            | 0.15   | Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1              | -14.80 | 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                       | \$0.72         |
| MG Growth Estimate          | 15.00%         |
| <b>MG Value</b>             | <b>\$27.54</b> |
| MG Value based on 3% Growth | \$10.37        |
| MG Value based on 0% Growth | \$6.08         |
| Market Implied Growth Rate  | 20.84%         |

### MG Opinion

|                      |                   |
|----------------------|-------------------|
| Current Price        | \$35.90           |
| % of Intrinsic Value | 130.35%           |
| <b>Opinion</b>       | <b>Overvalued</b> |
| <b>MG Grade</b>      | <b>D</b>          |

## Stage 3: Information for Further Research

|  |          |
|--|----------|
| Net Current Asset Value (NCAV)                 | -\$17.00 |
| Graham Number                                  | \$7.85   |
| PEmg   | 50.19    |
| Current Ratio                                  | 0.15     |
| PB Ratio                                       | 3.10     |
| Current Dividend                               | \$1.18   |
| Dividend Yield                                 | 3.29%    |
| Number of Consecutive Years of Dividend Growth | 0        |

### Useful Links:

|  |                               |
|--|-------------------------------|
| <a href="#">ModernGraham tagged articles</a> | <a href="#">Morningstar</a>   |
| <a href="#">Google Finance</a>               | <a href="#">MSN Money</a>     |
| <a href="#">Yahoo Finance</a>                | <a href="#">Seeking Alpha</a> |
| <a href="#">GuruFocus</a>                    | <a href="#">SEC Filings</a>   |

| EPS History               |         | EPSmg History                        |                  |
|---------------------------|---------|--------------------------------------|------------------|
| Next Fiscal Year Estimate | \$0.24  | Next Fiscal Year Estimate            | \$0.72           |
| Dec2016                   | \$1.08  | Dec2016                              | \$0.90           |
| Dec2015                   | \$1.29  | Dec2015                              | \$0.74           |
| Dec2014                   | \$0.59  | Dec2014                              | \$0.37           |
| Dec2013                   | \$0.16  | Dec2013                              | \$0.16           |
| Dec2012                   | \$0.85  | Dec2012                              | \$0.43           |
| Dec2011                   | \$0.05  | Dec2011                              | \$0.51           |
| Dec2010                   | -\$0.68 | Dec2010                              | \$0.91           |
| Dec2009                   | -\$0.64 | Dec2009                              | \$1.66           |
| Dec2008                   | \$5.29  | Dec2008                              | \$2.48           |
| Dec2007                   | \$1.41  | Dec2007                              | \$0.99           |
| Dec2006                   | \$0.85  | Dec2006                              | \$0.71           |
| Dec2005                   | \$1.03  | Dec2005                              | \$0.58           |
| Dec2004                   | \$0.56  | Dec2004                              | \$0.35           |
| Dec2003                   | \$0.21  | Dec2003                              | \$0.28           |
| Dec2002                   | \$0.24  | Dec2002                              | \$0.34           |
| Dec2001                   | \$0.27  | Dec2001                              | \$0.41           |
| Dec2000                   | \$0.41  | <b>Balance Sheet Information</b>     | <b>12/1/2016</b> |
| Dec1999                   | \$0.54  | Total Current Assets                 | \$41,896,000     |
| Dec1998                   | \$0.49  | Total Current Liabilities            | \$271,654,000    |
| Dec1997                   | \$0.60  | Long-Term Debt                       | \$3,401,478,000  |
|                           |         | Total Assets                         | \$7,679,584,000  |
|                           |         | Intangible Assets                    | \$0              |
|                           |         | Total Liabilities                    | \$4,586,474,000  |
|                           |         | Shares Outstanding (Diluted Average) | 267,311,000      |





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](#)