

# ModernGraham Valuation

Company Name:

Liberty Property Trust

Company Ticker LPT

Date of Analysis

4/11/2017



## 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  | \$5,968,486,012 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2  | 1.13            | 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 | 53.07%          | Pass |
| 5. Earnings Growth                         |  |                 |      |
| 6. Moderate PEmg Ratio                     | PEmg < 20  | 25.35           | Fail |
| 7. Moderate Price to Assets                | PB Ratio < 2.5 OR PB*PEmg < 50   | 1.97            | 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            | 1.13   | Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1              | 128.03 | 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                       | \$1.59         |
| MG Growth Estimate          | 2.71%          |
| <b>MG Value</b>             | <b>\$22.14</b> |
| MG Value based on 3% Growth | \$23.06        |
| MG Value based on 0% Growth | \$13.52        |
| Market Implied Growth Rate  | 8.43%          |

### MG Opinion

|                      |                   |
|----------------------|-------------------|
| Current Price        | \$40.33           |
| % of Intrinsic Value | 182.17%           |
| <b>Opinion</b>       | <b>Overvalued</b> |
| <b>MG Grade</b>      | <b>D+</b>         |

## Stage 3: Information for Further Research

|  |          |
|--|----------|
| Net Current Asset Value (NCAV)                 | -\$19.13 |
| Graham Number                                  | \$20.90  |
| PEmg   | 25.35    |
| Current Ratio                                  | 1.13     |
| PB Ratio                                       | 1.97     |
| Current Dividend                               | \$1.90   |
| Dividend Yield                                 | 4.71%    |
| 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 | \$0.95 | Next Fiscal Year Estimate            | \$1.59           |
| Dec2016                   | \$2.43 | Dec2016                              | \$1.83           |
| Dec2015                   | \$1.61 | Dec2015                              | \$1.51           |
| Dec2014                   | \$1.48 | Dec2014                              | \$1.44           |
| Dec2013                   | \$1.60 | Dec2013                              | \$1.35           |
| Dec2012                   | \$1.17 | Dec2012                              | \$1.22           |
| Dec2011                   | \$1.59 | Dec2011                              | \$1.27           |
| Dec2010                   | \$1.12 | Dec2010                              | \$1.27           |
| Dec2009                   | \$0.52 | Dec2009                              | \$1.55           |
| Dec2008                   | \$1.62 | Dec2008                              | \$2.11           |
| Dec2007                   | \$1.80 | Dec2007                              | \$2.34           |
| Dec2006                   | \$2.95 | Dec2006                              | \$2.52           |
| Dec2005                   | \$2.82 | Dec2005                              | \$2.26           |
| Dec2004                   | \$1.88 | Dec2004                              | \$2.00           |
| Dec2003                   | \$2.05 | Dec2003                              | \$2.06           |
| Dec2002                   | \$1.97 | Dec2002                              | \$2.03           |
| Dec2001                   | \$2.15 | Dec2001                              | \$1.99           |
| Dec2000                   | \$2.17 | <b>Balance Sheet Information</b>     | <b>12/1/2016</b> |
| Dec1999                   | \$1.95 | Total Current Assets                 | \$179,264,000    |
| Dec1998                   | \$1.59 | Total Current Liabilities            | \$159,293,000    |
| Dec1997                   | \$1.38 | Long-Term Debt                       | \$2,556,936,000  |
|                           |        | Total Assets                         | \$5,992,813,000  |
|                           |        | Intangible Assets                    | \$0              |
|                           |        | Total Liabilities                    | \$2,989,422,000  |
|                           |        | Shares Outstanding (Diluted Average) | 146,889,000      |





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
- [Corecivic Inc Valuation – Initial Coverage \\$CXW](#)
  - [Kimco Realty Corp Valuation – March 2017 \\$KIM](#)
  - [LaSalle Hotel Properties Valuation – Initial Coverage \\$LHO](#)
  - [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](#)