

ModernGraham Valuation

Company Name:

Douglas Emmett, Inc.

Company Ticker DEI

Date of Analysis

7/19/2017



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	\$5,798,643,382	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.40	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-325.37%	Fail
5. Earnings Growth	PEmg < 20	79.81	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.13	Fail
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	1.40	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	82.65	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	\$0.48
MG Growth Estimate	15.00%
MG Value	\$18.31
MG Value based on 3% Growth	\$6.90
MG Value based on 0% Growth	\$4.04
Market Implied Growth Rate	35.65%

MG Opinion

Current Price	\$37.95
% of Intrinsic Value	207.29%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$36.03
Graham Number	\$12.75
PEmg	79.81
Current Ratio	1.40
PB Ratio	3.13
Current Dividend	\$0.89
Dividend Yield	2.35%
Number of Consecutive Years of Dividend Growth	6

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	\$0.57	Next Fiscal Year Estimate	\$0.48
Dec2016	\$0.55	Dec2016	\$0.40
Dec2015	\$0.39	Dec2015	\$0.29
Dec2014	\$0.30	Dec2014	\$0.20
Dec2013	\$0.31	Dec2013	\$0.10
Dec2012	\$0.16	Dec2012	-\$0.03
Dec2011	\$0.01	Dec2011	-\$0.14
Dec2010	-\$0.22	Dec2010	-\$0.22
Dec2009	-\$0.22	Dec2009	-\$0.20
Dec2008	-\$0.23	Dec2008	-\$0.17
Dec2007	-\$0.12	Dec2007	-\$0.13
Dec2006	-\$0.32	Dec2006	-\$0.11
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information	3/1/2017
Dec1999	\$0.00	Total Current Assets	\$185,678,000
Dec1998	\$0.00	Total Current Liabilities	\$132,544,000
Dec1997	\$0.00	Long-Term Debt	\$4,391,410,000
		Total Assets	\$7,586,699,000
		Intangible Assets	\$6,821,000
		Total Liabilities	\$5,722,209,000
		Shares Outstanding (Diluted Average)	153,655,000





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

- [LTC Properties Inc Valuation – Initial Coverage \\$LTC](#)
- [REIT Industry Review – April 2017](#)
- [Starwood Property Trust Inc Valuation – April 2017 \\$STWD](#)
- [Dream Office REIT – Initial Coverage \\$TSE:D.UN](#)
- [Liberty Property Trust Valuation – Initial Coverage \\$LPT](#)
- [Taubman Centers Inc Valuation – Initial Coverage \\$TCO](#)
- [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](#)