

ModernGraham Valuation

Company Name:

Company Ticker ACC
Date of Analysis

American Campus
Communities, Inc.

9/6/2017



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	\$6,574,392,992	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.98	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	-763.16%	Fail
5. Earnings Growth	PEmg < 20	60.49	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.83	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	0.98	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-1,808.46	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.80
MG Growth Estimate	2.68%
MG Value	\$11.04
MG Value based on 3% Growth	\$11.55
MG Value based on 0% Growth	\$6.77
Market Implied Growth Rate	25.99%

MG Opinion

Current Price	\$48.19
% of Intrinsic Value	436.59%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$19.39
Graham Number	\$20.97
PEmg	60.49
Current Ratio	0.98
PB Ratio	1.83
Current Dividend	\$1.66
Dividend Yield	3.44%
Number of Consecutive Years of Dividend Growth	4

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.75	Next Fiscal Year Estimate	\$0.80
Dec2016	\$0.75	Dec2016	\$0.81
Dec2015	\$1.02	Dec2015	\$0.83
Dec2014	\$0.58	Dec2014	\$0.71
Dec2013	\$0.98	Dec2013	\$0.68
Dec2012	\$0.65	Dec2012	\$0.42
Dec2011	\$0.80	Dec2011	\$0.23
Dec2010	\$0.26	Dec2010	\$0.01
Dec2009	-\$0.28	Dec2009	\$0.00
Dec2008	-\$0.36	Dec2008	\$0.19
Dec2007	-\$0.07	Dec2007	\$0.37
Dec2006	\$1.17	Dec2006	\$0.46
Dec2005	\$0.65	Dec2005	\$0.06
Dec2004	\$0.15	Dec2004	-\$0.22
Dec2003	-\$1.00	Dec2003	-\$0.33
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information 6/1/2017	
Dec1999	\$0.00	Total Current Assets	\$61,242,000
Dec1998	\$0.00	Total Current Liabilities	\$62,547,000
Dec1997	\$0.00	Long-Term Debt	\$2,360,034,000
		Total Assets	\$6,224,973,000
		Intangible Assets	\$0
		Total Liabilities	\$2,670,973,000
		Shares Outstanding (Diluted Average)	134,614,000





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.

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ModernGraham
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[American Campus Communities Valuation – November 2016 \\$ACC](#)
[American Campus Communities Inc. Analysis – Initial Coverage \\$ACC](#)

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