

ModernGraham Valuation

Education Realty
Trust, Inc.



Company Name:

Company Ticker EDR

Date of Analysis

9/7/2017

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	\$2,850,356,287	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.18	Pass
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	-145.22%	Fail
5. Earnings Growth	PEmg < 20	65.88	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.64	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	3.18	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.11	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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.59
MG Growth Estimate	15.00%
MG Value	\$22.87
MG Value based on 3% Growth	\$8.61
MG Value based on 0% Growth	\$5.05
Market Implied Growth Rate	28.69%

MG Opinion

Current Price	\$39.14
% of Intrinsic Value	171.11%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$6.48
Graham Number	\$17.69
PEmg	65.88
Current Ratio	3.18
PB Ratio	1.64
Current Dividend	\$1.50
Dividend Yield	3.83%
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	\$0.56	Next Fiscal Year Estimate	\$0.59
Dec2016	\$0.65	Dec2016	\$0.57
Dec2015	\$0.40	Dec2015	\$0.45
Dec2014	\$1.09	Dec2014	\$0.24
Dec2013	\$0.11	Dec2013	-\$0.31
Dec2012	\$0.25	Dec2012	-\$0.59
Dec2011	-\$0.42	Dec2011	-\$0.98
Dec2010	-\$2.19	Dec2010	-\$1.21
Dec2009	-\$0.54	Dec2009	-\$0.84
Dec2008	-\$0.84	Dec2008	-\$0.98
Dec2007	-\$0.60	Dec2007	-\$0.97
Dec2006	-\$1.38	Dec2006	-\$1.00
Dec2005	-\$2.01	Dec2005	-\$0.67
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 6/1/2017	
Dec1999	\$0.00	Total Current Assets	\$558,580,000
Dec1998	\$0.00	Total Current Liabilities	\$175,379,000
Dec1997	\$0.00	Long-Term Debt	\$809,205,000
		Total Assets	\$2,802,943,000
		Intangible Assets	\$0
		Total Liabilities	\$1,037,111,000
		Shares Outstanding (Diluted Average)	73,841,000





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
- [First Industrial Realty Trust Inc Valuation – Initial Coverage \\$FR](#)
 - [Saul Centers Inc Valuation – Initial Coverage \\$BFS](#)
 - [Douglas Emmett Inc Valuation – Initial Coverage \\$DEI](#)
 - [Lexington Realty Trust Valuation – Initial Coverage \\$LXP](#)
 - [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](#)