

ModernGraham Valuation

Alexandria Real
Estate Equities Inc



Company Name:

Company Ticker ARE

Date of Analysis

2/27/2018

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$12,233,702,988	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. 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		
4. Earnings Growth		-76.36%	Fail
5. Moderate PEmg Ratio	PEmg < 20	124.83	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.95	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior		Fail
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	0.97
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$14.04
MG Value based on 0% Growth	\$8.23
Market Implied Growth Rate	58.17%

MG Opinion

Current Price	\$120.84
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	C-

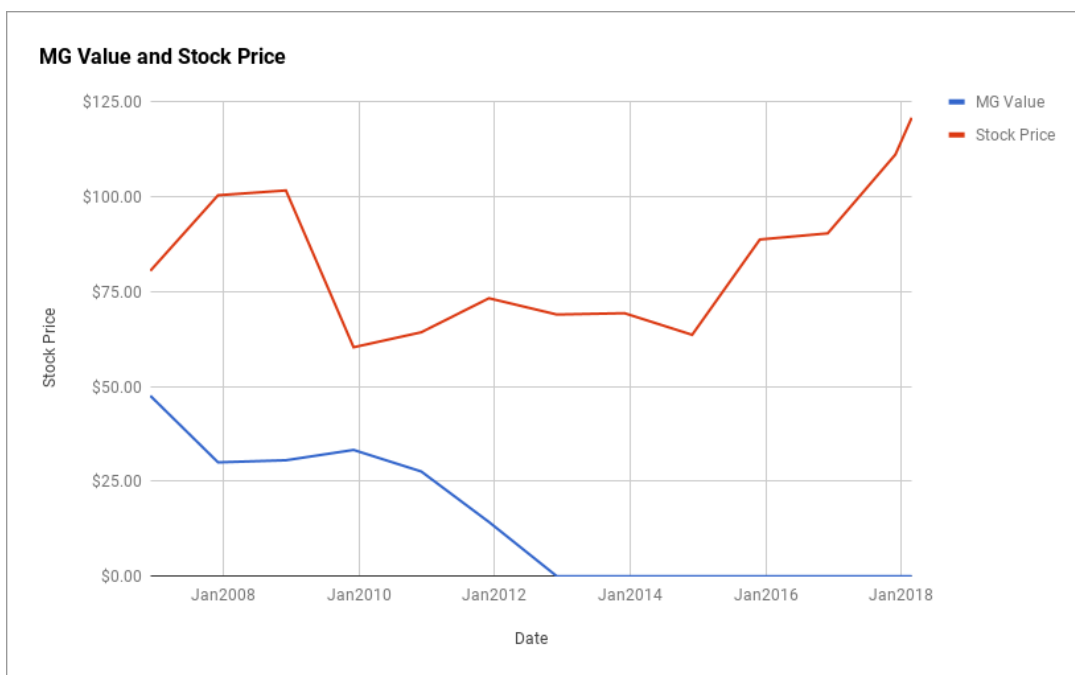
Stage 3: Information for Further Research

Graham Number	\$52.10
PEmg	124.83
PB Ratio	1.95
Dividend Yield	2.86%
Number of Consecutive Years of Dividend Growth	7

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	\$1.98	Next Fiscal Year Estimate	\$0.97
Dec2017	\$1.58	Dec2017	\$0.56
Dec2016	-\$1.99	Dec2016	\$0.26
Dec2015	\$1.63	Dec2015	\$1.39
Dec2014	\$1.01	Dec2014	\$1.36
Dec2013	\$1.60	Dec2013	\$1.64
Dec2012	\$1.09	Dec2012	\$1.82
Dec2011	\$1.73	Dec2011	\$2.26
Dec2010	\$2.19	Dec2010	\$2.53
Dec2009	\$2.72	Dec2009	\$2.64
Dec2008	\$2.86	Dec2008	\$2.56
Dec2007	\$2.63	Dec2007	\$2.44
Dec2006	\$2.25	Dec2006	\$2.34
Dec2005	\$2.22	Dec2005	\$2.33
Dec2004	\$2.33	Dec2004	\$2.29
Dec2003	\$3.10	Dec2003	\$2.16
Dec2002	\$1.76	Dec2002	\$1.68
Dec2001	\$1.64	Balance Sheet Information 12/1/2017	
Dec2000	\$1.77	Long-Term Debt & Capital Lease Obligation	\$1,319,003,000
Dec1999	\$1.46	Total Assets	\$12,103,953,000
Dec1998	\$1.58	Intangible Assets	\$0
		Total Liabilities	\$6,154,287,000
		Shares Outstanding (Diluted Average)	95,954,000





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 [Alexandria Real Estate Equities Inc. Analysis – Initial Coverage \\$ARE](#)

Other ModernGraham posts about related companies [Education Realty Trust Inc Valuation – Initial Coverage \\$EDR](#)
[American Campus Communities Inc Valuation – September 2017 \\$ACC](#)
[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](#)