

ModernGraham Valuation

Company Name:

Public Storage

Company Ticker PSA

Date of Analysis

3/29/2018



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	\$34,876,118,567	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.29	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	127.88%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	29.81	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.91	Fail

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	1.29	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	14.88	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	\$6.72
MG Growth Estimate	7.77%
MG Value	\$161.56
MG Value based on 3% Growth	\$97.48
MG Value based on 0% Growth	\$57.14
Market Implied Growth Rate	10.65%

MG Opinion

Current Price	\$200.39
% of Intrinsic Value	124.03%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

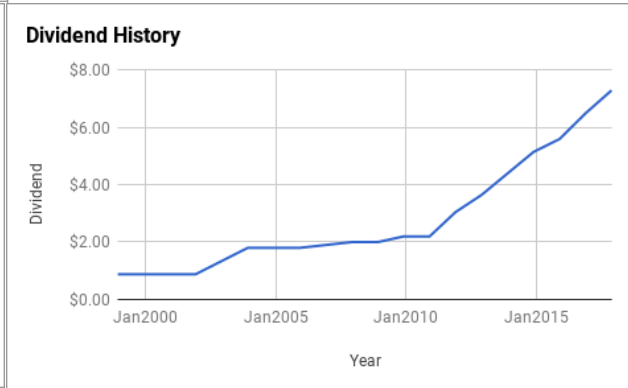
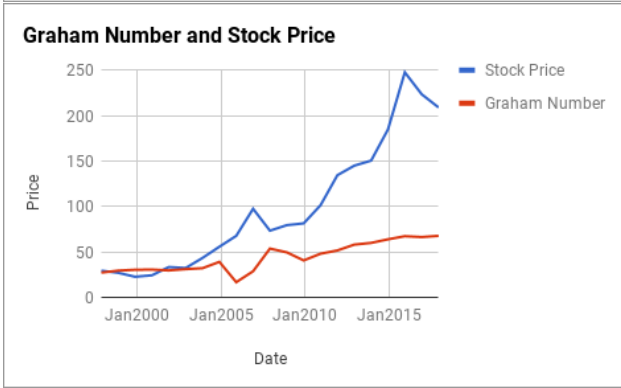
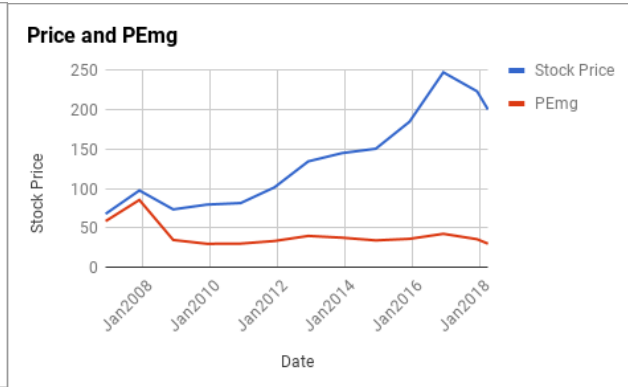
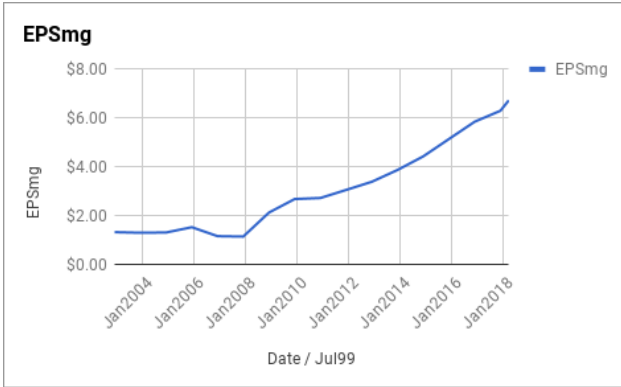
Net Current Asset Value (NCAV)	-\$7.80
Graham Number	\$67.73
PEmg	29.81
Current Ratio	1.29
PB Ratio	3.91
Current Dividend	\$8.00
Dividend Yield	3.99%
Number of Consecutive Years of Dividend Growth	8

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	\$7.22	Next Fiscal Year Estimate	\$6.72
Dec2017	\$6.73	Dec2017	\$6.30
Dec2016	\$6.81	Dec2016	\$5.85
Dec2015	\$6.07	Dec2015	\$5.14
Dec2014	\$5.25	Dec2014	\$4.43
Dec2013	\$4.89	Dec2013	\$3.87
Dec2012	\$3.90	Dec2012	\$3.39
Dec2011	\$3.29	Dec2011	\$3.05
Dec2010	\$2.35	Dec2010	\$2.72
Dec2009	\$3.47	Dec2009	\$2.68
Dec2008	\$4.18	Dec2008	\$2.13
Dec2007	\$1.17	Dec2007	\$1.14
Dec2006	\$0.33	Dec2006	\$1.16
Dec2005	\$1.97	Dec2005	\$1.53
Dec2004	\$1.38	Dec2004	\$1.31
Dec2003	\$1.28	Dec2003	\$1.30
Dec2002	\$1.14	Dec2002	\$1.32
Dec2001	\$1.39	Balance Sheet Information 12/1/2017	
Dec2000	\$1.41	Total Current Assets	\$433,376,000
Dec1999	\$1.52	Total Current Liabilities	\$337,201,000
Dec1998	\$1.30	Long-Term Debt	\$1,431,322,000
		Total Assets	\$10,732,892,000
		Intangible Assets	\$214,957,000
		Total Liabilities	\$1,792,883,000
		Shares Outstanding (Diluted Average)	174,220,000





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**
- [Public Storage Valuation – July 2016 \\$PSA](#)
 - [24 Companies in the Spotlight This Week – 3/28/15](#)
 - [Public Storage Annual Valuation – 2015 \\$PSA](#)
 - [17 Companies in the Spotlight This Week – 3/22/14](#)
 - [Public Storage Inc. \(PSA\) Annual Valuation – 2014](#)

- Other ModernGraham posts about related companies**
- [HCP Inc Valuation – March 2018 \\$HCP](#)
 - [Apartment Investment & Management Co Valuation – March 2018 \\$AIV](#)
 - [Crown Castle International Corp Valuation – March 2018 \\$CCI](#)
 - [GGP Inc Valuation – March 2018 \\$GGP](#)
 - [Starwood Property Trust Inc Valuation – March 2018 \\$STWD](#)
 - [Simon Property Group Inc Valuation – March 2018 \\$SPG](#)
 - [Welltower Inc Valuation – March 2018 \\$WELL](#)
 - [Boston Properties Inc Valuation – March 2018 \\$BXP](#)
 - [AvalonBay Communities Inc Valuation – February 2018 \\$AVB](#)
 - [Weyerhaeuser Co Valuation – February 2018 \\$WY](#)