

# ModernGraham Valuation

Simon Property  
Group Inc



## Company Name:

Company Ticker SPG

Date of Analysis

3/10/2018

## 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	\$50,248,202.370	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.96	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	166.37%	Pass
6. Moderate PEmg Ratio	PEmg < 20	27.12	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	13.20	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	0.96	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-205.63	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.77
MG Growth Estimate	5.69%
<b>MG Value</b>	<b>\$114.79</b>
MG Value based on 3% Growth	\$83.71
MG Value based on 0% Growth	\$49.07
Market Implied Growth Rate	9.31%

### MG Opinion

Current Price	\$156.57
% of Intrinsic Value	136.40%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

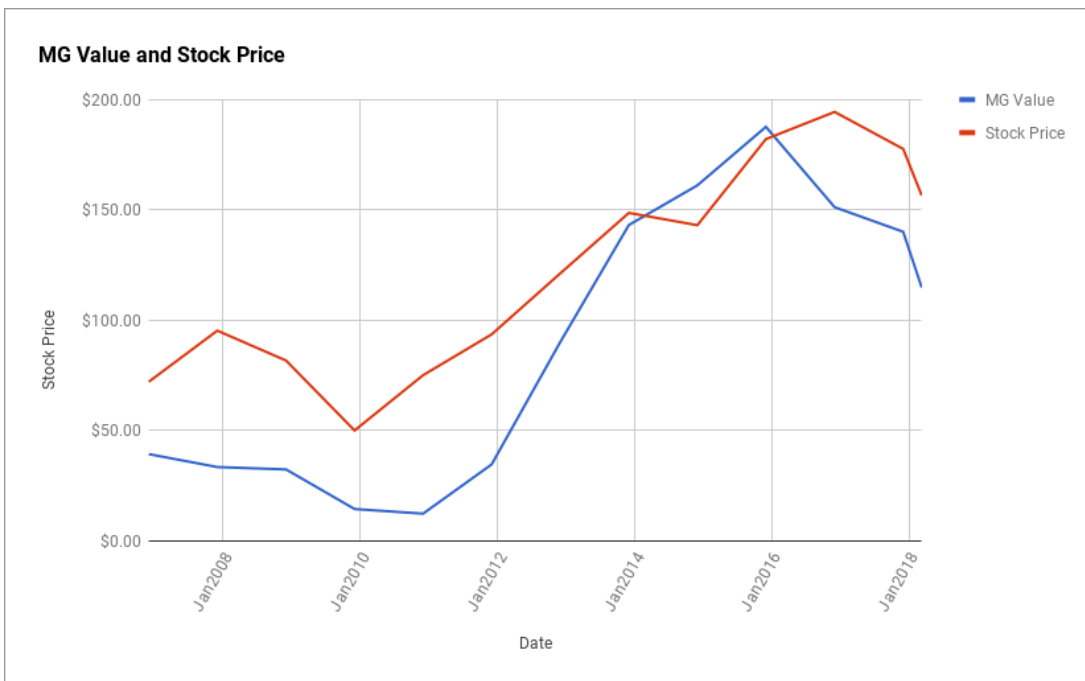
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$83.69
Graham Number	\$38.27
PEmg	27.12
Current Ratio	0.96
PB Ratio	13.20
Current Dividend	\$7.15
Dividend Yield	4.57%
Number of Consecutive Years of Dividend Growth	7

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.55	Next Fiscal Year Estimate	\$5.77
Dec2017	\$6.24	Dec2017	\$5.71
Dec2016	\$5.87	Dec2016	\$5.31
Dec2015	\$5.88	Dec2015	\$4.87
Dec2014	\$4.52	Dec2014	\$4.19
Dec2013	\$4.24	Dec2013	\$3.72
Dec2012	\$4.72	Dec2012	\$3.19
Dec2011	\$3.48	Dec2011	\$2.31
Dec2010	\$2.10	Dec2010	\$1.76
Dec2009	\$1.05	Dec2009	\$1.65
Dec2008	\$1.87	Dec2008	\$1.92
Dec2007	\$1.95	Dec2007	\$1.90
Dec2006	\$2.19	Dec2006	\$1.86
Dec2005	\$1.82	Dec2005	\$1.64
Dec2004	\$1.44	Dec2004	\$1.50
Dec2003	\$1.65	Dec2003	\$1.46
Dec2002	\$1.99	Dec2002	\$1.31
Dec2001	\$0.85	<b>Balance Sheet Information 12/1/2017</b>	
Dec2000	\$1.08	Total Current Assets	\$2,555,775,000
Dec1999	\$0.97	Total Current Liabilities	\$2,675,568,000
Dec1998	\$1.06	Long-Term Debt	\$24,632,463,000
		Total Assets	\$32,257,638,000
		Intangible Assets	\$208,557,000
		Total Liabilities	\$28,571,470,000
		Shares Outstanding (Diluted Average)	310,847,000





**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**

- [Simon Property Group Annual Valuation – 2015 \\$SPG](#)
- [10 Companies in the Spotlight This Week – 12/28/13](#)
- [ModernGraham Valuation: Simon Property Group \(SPG\)](#)

**Other ModernGraham posts about related companies**

- [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](#)
- [Alexandria Real Estate Equities Inc Valuation – February 2018 \\$ARE](#)
- [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](#)