

ModernGraham Valuation

Company Name:

Duke Realty Corp

Company Ticker

DRE

Date of Analysis

5/9/2018



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	\$10,253,987,617	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.72	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	-453.99%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	16.14	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.29	Pass

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	1.72	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	18.67	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	\$1.78
MG Growth Estimate	15.00%
MG Value	\$68.45
MG Value based on 3% Growth	\$25.78
MG Value based on 0% Growth	\$15.11
Market Implied Growth Rate	3.82%

MG Opinion

Current Price	\$28.70
% of Intrinsic Value	41.93%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

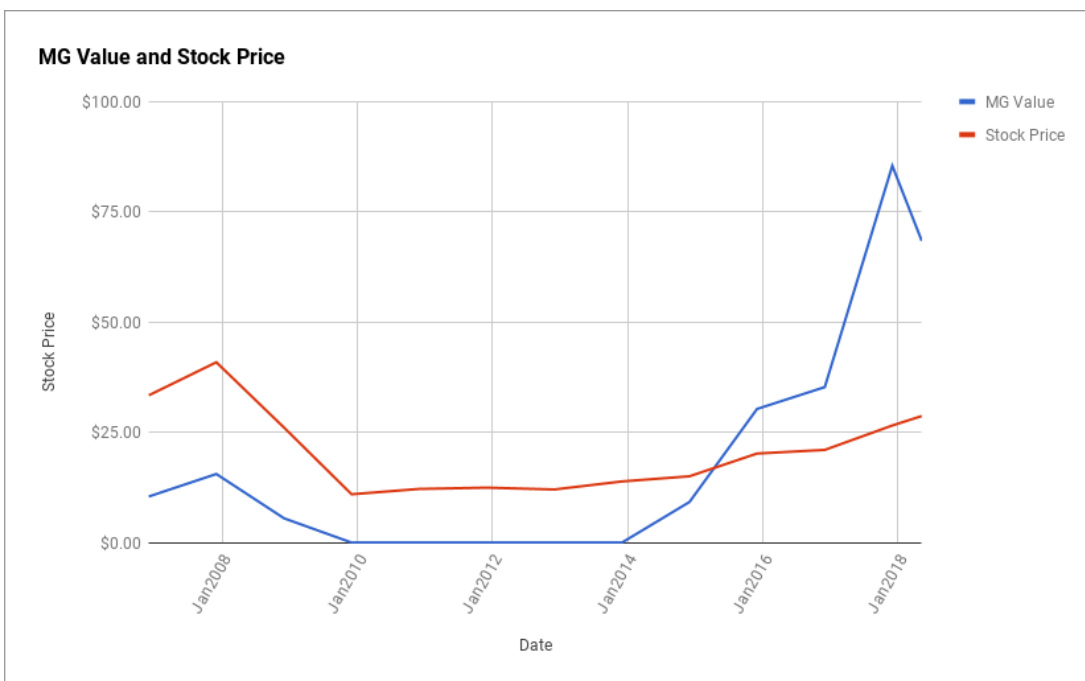
Net Current Asset Value (NCAV)	-\$7.03
Graham Number	\$9.72
PEmg	16.14
Current Ratio	1.72
PB Ratio	2.29
Current Dividend	\$0.77
Dividend Yield	2.68%
Number of Consecutive Years of Dividend Growth	3

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$0.33	Dec2017	\$1.78
Dec2016	\$4.56	Dec2016	\$2.22
Dec2015	\$0.88	Dec2015	\$0.92
Dec2014	\$1.77	Dec2014	\$0.79
Dec2013	\$0.60	Dec2013	\$0.24
Dec2012	\$0.47	Dec2012	-\$0.07
Dec2011	-\$0.48	Dec2011	-\$0.35
Dec2010	\$0.11	Dec2010	-\$0.17
Dec2009	-\$0.07	Dec2009	-\$0.12
Dec2008	-\$1.67	Dec2008	\$0.13
Dec2007	\$0.33	Dec2007	\$1.10
Dec2006	\$1.55	Dec2006	\$1.46
Dec2005	\$1.07	Dec2005	\$1.38
Dec2004	\$2.17	Dec2004	\$1.51
Dec2003	\$1.06	Dec2003	\$1.24
Dec2002	\$1.19	Dec2002	\$1.36
Dec2001	\$1.14	Dec2002	\$1.43
Dec2000	\$1.74	Balance Sheet Information 12/1/2017	
Dec1999	\$1.66	Total Current Assets	\$309,879,000
Dec1998	\$1.32	Total Current Liabilities	\$180,102,000
	\$1.12	Long-Term Debt	\$2,422,891,000
		Total Assets	\$7,388,196,000
		Intangible Assets	\$88,653,000
		Total Liabilities	\$2,855,352,000
		Shares Outstanding (Diluted Average)	362,203,000





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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