ModernGraham Valuation

Company Name:

Federal Realty Investment Trust



Company Ticker FRT
Date of Analysis 6/6/2018

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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$8,878,170,854 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.72 Fail
Earnings Stability	Positive EPS for 10 years prior	Pass
Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	78.27% Pass
Moderate PEmg Ratio	PEmg < 20	36.52 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.74 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.72 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	16.64 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	

Score

Suitability

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

\$3.33	
6.14%	
\$69.26	
\$48.33	
\$28.33	
14.01%	

MG Opinion

Current Price	\$121.73
% of Intrinsic Value	175.76%

Opinion Overvalued

MG Grade B

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$47.28
Graham Number	\$44.33
PEmg	36.52
Current Ratio	1.72
PB Ratio	3.74
Current Dividend	\$3.96
Dividend Yield	3.25%
Number of Consecutive Years of Dividend	
Growth	20

Morningstar

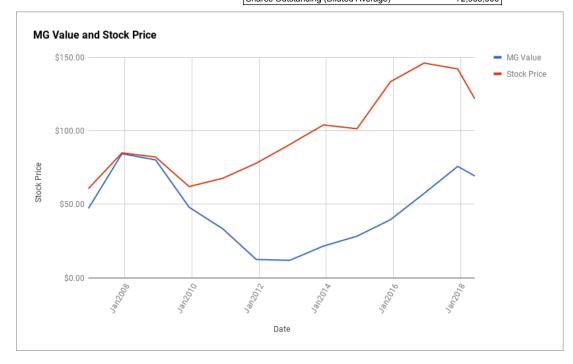
Useful Links: <u>ModernGraham tagged articles</u>

 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	• • • • • • • • • • • • • • • • • • • •	Next Fiscal Year Estimate	\$3.33
Dec2017	\$3.97	Dec2017	\$3.35
Dec2016	\$3.50	Dec2016	\$2.94
Dec2015	\$3.03	Dec2015	\$2.61
Dec2014	\$2.41	Dec2014	\$2.37
Dec2013	\$2.46	Dec2013	\$2.28
Dec2012	\$2.35	Dec2012	\$2.15
Dec2011	\$2.28	Dec2011	\$2.14
Dec2010	\$1.98	Dec2010	\$2.12
Dec2009	\$1.63	Dec2009	\$2.20
Dec2008	\$2.19	Dec2008	\$2.39
Dec2007	\$3.45	Dec2007	\$2.34
Dec2006	\$1.92	Dec2006	\$1.71
Dec2005	\$1.94	Dec2005	\$1.53
Dec2004	\$1.41	Dec2004	\$1.30
Dec2003	\$1.59	Dec2003	\$1.22
Dec2002	\$0.85	Dec2002	\$1.04
Dec2001	\$1.09	Balance Sheet Information	3/1/2018
Dec2000	\$1.35	Total Current Assets	\$470,265,000
Dec1999	\$1.02	Total Current Liabilities	\$274,100,000
Dec1998	\$0.94	Long-Term Debt	\$3,263,867,000
		Total Assets	\$6,293,625,000
		Intangible Assets	\$0
		Total Liabilities	\$3,920,515,000
		Shares Outstanding (Diluted Average)	72,968,000





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 Federal Realty Investment Trust Valuation – Initial Coverage \$FRT

Other ModernGraham posts about related companies

Prologis Inc Valuation – May 2018 \$PLD

Duke Realty Corp Valuation – Initial Coverage \$DRE

Realty Income Corp Valuation – April 2018 \$Q

Ventas Inc Valuation – April 2018 \$VTR

SL Green Realty Corp Valuation – April 2018 \$SLG

Regency Centers Corp Valuation – Initial Coverage \$REG

Host Hotels & Resorts Inc Valuation – April 2018 \$HST

Vornado Realty Trust Valuation – April 2018 \$VNO

Equity Residential Valuation - June 2018 \$EQR

Public Storage Valuation - March 2018 \$PSA