

# ModernGraham Valuation

Mid-America  
Apartment  
Communities Inc



## Company Name:

Company Ticker MAA

Date of Analysis

6/5/2018

## 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	\$10,843,184,325	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.23	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		
5. Earnings Growth		172.79%	Pass
6. Moderate PEmg Ratio	PEmg < 20	36.05	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.66	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	0.23	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-14.92	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.64
MG Growth Estimate	5.02%
<b>MG Value</b>	<b>\$49.00</b>
MG Value based on 3% Growth	\$38.33
MG Value based on 0% Growth	\$22.47
Market Implied Growth Rate	13.77%

## MG Opinion

Current Price	\$95.29
% of Intrinsic Value	194.47%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$42.36
Graham Number	\$48.45
PEmg	36.05
Current Ratio	0.23
PB Ratio	1.66
Current Dividend	\$3.48
Dividend Yield	3.65%
Number of Consecutive Years of Dividend Growth	7

## Useful Links:

[ModernGraham tagged articles](#)

[Google Finance](#)

[Yahoo Finance](#)

[Morningstar](#)

[MSN Money](#)

[Seeking Alpha](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.87	Next Fiscal Year Estimate	\$2.64
Dec2017	\$2.86	Dec2017	\$2.97
Dec2016	\$2.69	Dec2016	\$2.94
Dec2015	\$4.41	Dec2015	\$2.87
Dec2014	\$1.97	Dec2014	\$1.98
Dec2013	\$2.25	Dec2013	\$1.83
Dec2012	\$2.56	Dec2012	\$1.47
Dec2011	\$1.31	Dec2011	\$0.91
Dec2010	\$0.56	Dec2010	\$0.70
Dec2009	\$0.85	Dec2009	\$0.71
Dec2008	\$0.64	Dec2008	\$0.61
Dec2007	\$1.01	Dec2007	\$0.53
Dec2006	\$0.29	Dec2006	\$0.25
Dec2005	\$0.25	Dec2005	\$0.24
Dec2004	\$0.50	Dec2004	\$0.27
Dec2003	-\$0.07	Dec2003	\$0.26
Dec2002	-\$0.11	Dec2002	\$0.49
Dec2001	\$0.72	<b>Balance Sheet Information</b>	
Dec2000	\$0.78	<b>3/1/2018</b>	
Dec1999	\$0.93	Total Current Assets	\$88,810,000
Dec1998	\$0.82	Total Current Liabilities	\$390,380,000
		Long-Term Debt	\$4,498,851,000
		Total Assets	\$11,417,376,000
		Intangible Assets	\$0
		Total Liabilities	\$4,897,013,000
		Shares Outstanding (Diluted Average)	113,507,000





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 [Mid-America Apartment Communities Inc Valuation – Initial Coverage \\$MAA](#)

Other ModernGraham posts about related companies [Equity Residential Valuation – June 2018 \\$EQR](#)  
[Prologis Inc Valuation – May 2018 \\$PLD](#)  
[Duke Realty Corp Valuation – Initial Coverage \\$DRE](#)  
[Realty Income Corp Valuation – April 2018 \\$O](#)  
[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](#)  
[Public Storage Valuation – March 2018 \\$PSA](#)