

# ModernGraham Valuation

Chesapeake Lodging  
Trust



Company Name:

Company Ticker CHSP

Date of Analysis

7/27/2018

## 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	\$1,889,031,633	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.29	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	1352.17%	Pass
5. Earnings Growth	PEmg < 20	28.62	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.80	Pass
7. Moderate Price to Assets			

*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	43.13	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	No

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.09
MG Growth Estimate	8.28%
<b>MG Value</b>	<b>\$27.24</b>
MG Value based on 3% Growth	\$15.77
MG Value based on 0% Growth	\$9.24
Market Implied Growth Rate	10.06%

MG Opinion

Current Price	\$31.12
% of Intrinsic Value	114.23%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

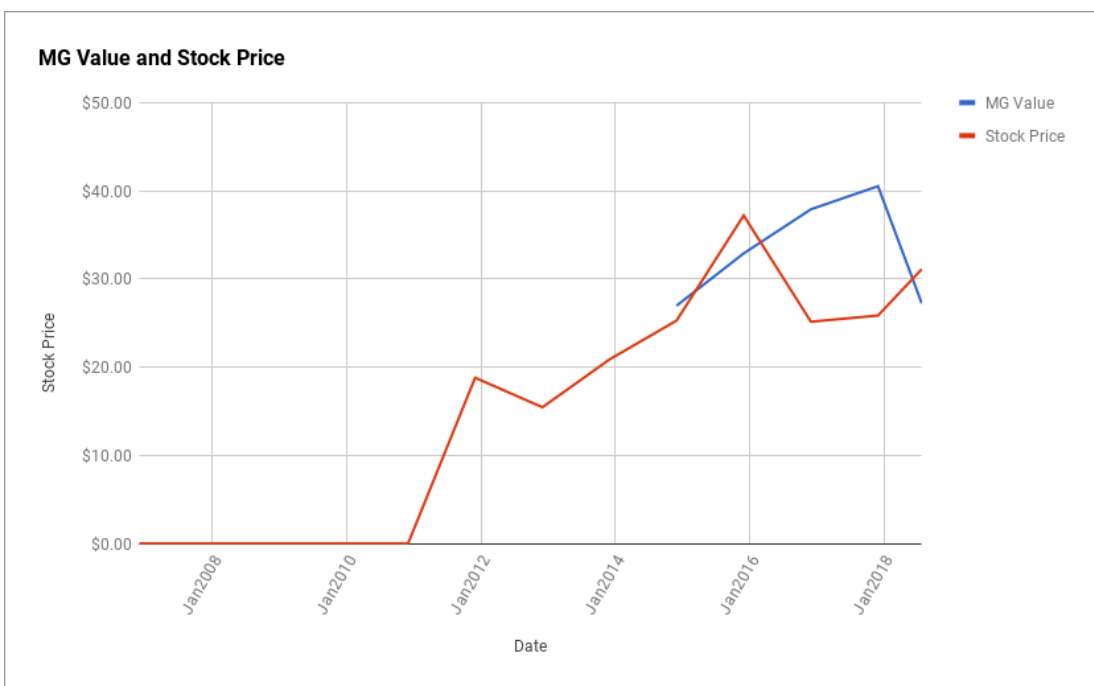
Net Current Asset Value (NCAV)	-\$14.13
Graham Number	\$20.81
PEmg	28.62
Current Ratio	1.29
PB Ratio	1.80
Current Dividend	\$1.60
Dividend Yield	5.14%
Number of Consecutive Years of Dividend Growth	8

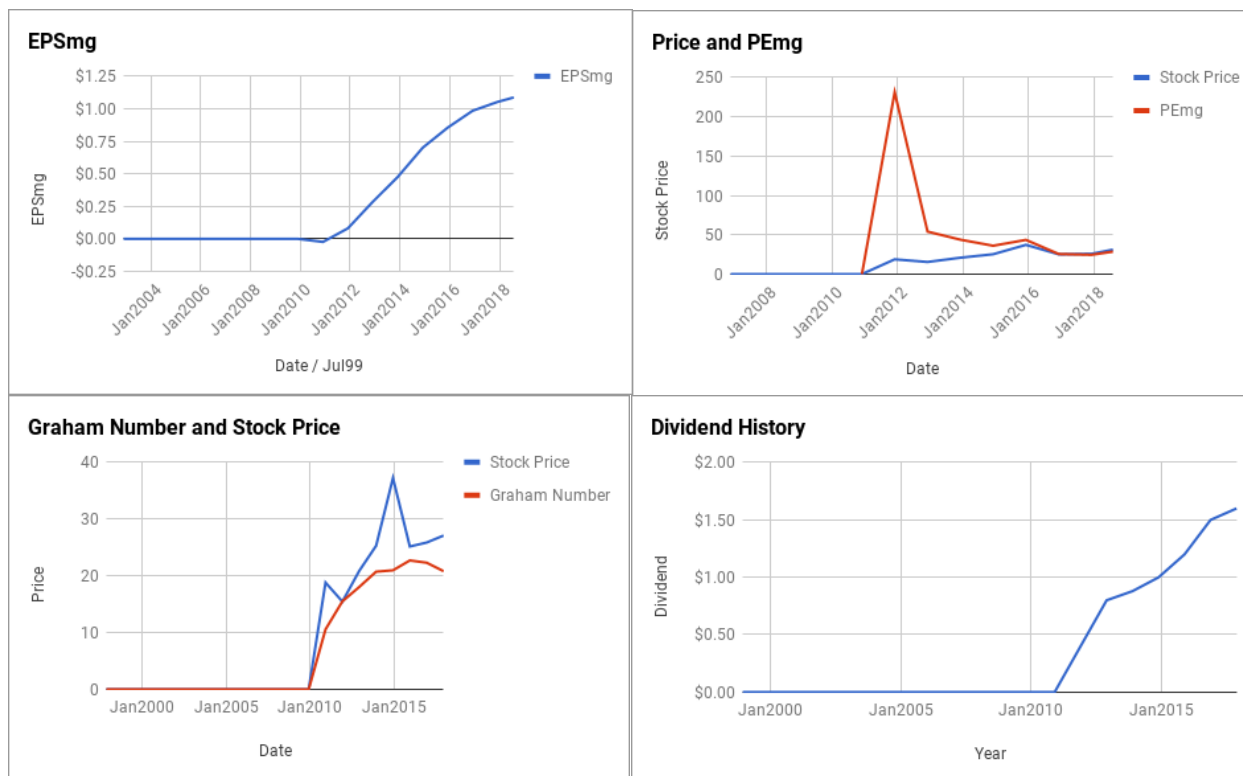
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[GuruFocus](#)

[Morningstar](#)  
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[Seeking Alpha](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$1.10		\$1.09
Dec2017	\$1.11	Dec2017	\$1.05
Dec2016	\$1.13	Dec2016	\$0.98
Dec2015	\$0.99	Dec2015	\$0.85
Dec2014	\$1.00	Dec2014	\$0.70
Dec2013	\$0.75	Dec2013	\$0.48
Dec2012	\$0.66	Dec2012	\$0.29
Dec2011	\$0.30	Dec2011	\$0.08
Dec2010	-\$0.07	Dec2010	-\$0.02
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	<b>Balance Sheet Information</b>	
Dec2000	\$0.00	<b>3/1/2018</b>	
Dec1999	\$0.00	Total Current Assets	\$85,249,000
Dec1998	\$0.00	Total Current Liabilities	\$65,968,000
		Long-Term Debt	\$831,684,000
		Total Assets	\$1,964,199,000
		Intangible Assets	\$35,112,000
		Total Liabilities	\$929,090,000
		Shares Outstanding (Diluted Average)	59,719,000





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**

- [10 Best Dividend Paying Stocks for the Enterprising Investor – February 2017](#)
- [10 Stocks for Using A Benjamin Graham Value Investing Strategy – February 2017](#)
- [10 Best Dividend Paying Stocks for the Enterprising Investor – January 2017](#)
- [8 Best Stocks for Value Investors This Week – 12/27/16](#)
- [Chesapeake Lodging Trust Valuation – December 2016 \\$CHSP](#)

**Other ModernGraham posts about related companies**

- [Sabra Health Care REIT Inc Valuation – July 2018 \\$SBRA](#)
- [National Retail Properties Inc Valuation – July 2018 \\$NNN](#)
- [Equinix Inc Valuation – June 2018 \\$EQIX](#)
- [Kimco Realty Corp Valuation – June 2018 \\$KIM](#)
- [Essex Property Trust Inc Valuation – June 2018 \\$ESS](#)
- [Federal Realty Investment Trust Valuation – June 2018 \\$FRT](#)
- [UDR Inc Valuation – June 2018 \\$UDR](#)
- [Mid-America Apartment Communities Inc Valuation – June 2018 \\$MAA](#)
- [Extra Space Storage Inc Valuation – June 2018 \\$EXR](#)
- [Digital Realty Trust Inc Valuation – June 2018 \\$DLR](#)