

ModernGraham Valuation

Company Name:

Company Ticker NNN
Date of Analysis

National Retail
Properties, Inc.

7/8/2018



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	\$6,797,872,126	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.05	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	82.63%	Pass
5. Earnings Growth	PEmg < 20	32.13	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.78	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	1.05	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1,609.85	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	\$1.40
MG Growth Estimate	3.90%
MG Value	\$22.80
MG Value based on 3% Growth	\$20.28
MG Value based on 0% Growth	\$11.89
Market Implied Growth Rate	11.82%

MG Opinion

Current Price	\$44.94
% of Intrinsic Value	197.10%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$17.98
Graham Number	\$26.37
PEmg	32.13
Current Ratio	1.05
PB Ratio	1.78
Current Dividend	\$1.86
Dividend Yield	4.14%
Number of Consecutive Years of Dividend Growth	20

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.48	Next Fiscal Year Estimate	\$1.40
Dec2017	\$1.45	Dec2017	\$1.33
Dec2016	\$1.38	Dec2016	\$1.25
Dec2015	\$1.20	Dec2015	\$1.16
Dec2014	\$1.24	Dec2014	\$1.11
Dec2013	\$1.10	Dec2013	\$1.00
Dec2012	\$1.11	Dec2012	\$0.97
Dec2011	\$0.96	Dec2011	\$1.01
Dec2010	\$0.80	Dec2010	\$1.24
Dec2009	\$0.60	Dec2009	\$1.58
Dec2008	\$1.56	Dec2008	\$2.02
Dec2007	\$2.26	Dec2007	\$2.11
Dec2006	\$3.05	Dec2006	\$1.89
Dec2005	\$1.56	Dec2005	\$1.26
Dec2004	\$1.15	Dec2004	\$1.11
Dec2003	\$1.13	Dec2003	\$1.09
Dec2002	\$1.09	Dec2002	\$1.09
Dec2001	\$0.91	Balance Sheet Information 3/1/2018	
Dec2000	\$1.26	Total Current Assets	\$38,017,000
Dec1999	\$1.16	Total Current Liabilities	\$36,379,000
Dec1998	\$1.10	Long-Term Debt	\$2,636,942,000
		Total Assets	\$6,660,656,000
		Intangible Assets	\$0
		Total Liabilities	\$2,796,150,000
		Shares Outstanding (Diluted Average)	153,393,000





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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[National Retail Properties Inc. Analysis – Initial Coverage \\$NNN](#)

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