# **ModernGraham Valuation**

## **Company Name:**

**National Retail** Properties, Inc.



Company Ticker Date of Analysis

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.

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
Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
<ol><li>Earnings Growth</li></ol>	beginning and end	82.63% Pass
Moderate PEmg Ratio	PEmg < 20	32.13 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.78 Pass
<ol> <li>Earnings Stability</li> <li>Dividend Record</li> <li>Earnings Growth</li> <li>Moderate PEmg Ratio</li> </ol>	Positive EPS for 10 years prior Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end PEmg < 20	Pass Pass 82.63% Pass 32.13 Fail

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

<ol> <li>Sufficiently Strong Financial Condition</li> </ol>	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	Pass
	Score	

Suitability

Defensive No Nο Enterprising

### 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 С

# Stage 3: Information for Further Research

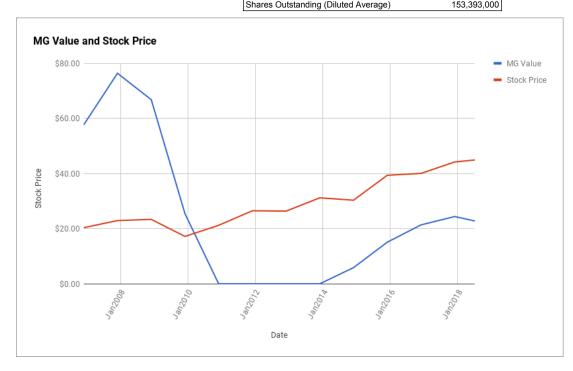
Net Current Asset Value (NCAV)	-\$17.98
Graham Number	\$26.37
PEmg	32.13
Current Ratio	1.05
PB Ratio	1.78
Current Dividend	\$1.86
Dividend Yield	4.14%
Number of Consecutive Years of Dividend	
Growth	20

Morningstar

Useful Links: ModernGraham tagged articles

Google Finance MSN Money Yahoo Finance Seeking Alpha **GuruFocus SEC Filings** 

EPS History		EPSmg History	
Next Fiscal Year	04.40	Mark Firest Wass Fallmark	04.40
Estimate	•	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.

#### **Recommended Reading:**

Other ModernGraham posts about the company National Retail Properties Inc Valuation – November 2016 \$NNN National Retail Properties Inc. Analysis – Initial Coverage \$NNN

Other ModernGraham posts about related companies

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
Equity Residential Valuation – June 2018 \$EQR
Prologis Inc Valuation – May 2018 \$PLD