

ModernGraham Valuation

Tanger Factory Outlet
Centers Inc.



Company Name:

Company Ticker SKT

Date of Analysis

7/30/2018

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	\$2,274,582,107	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.46	Pass
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	135.26%	Pass
5. Earnings Growth	PEmg < 20	18.86	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.73	Fail
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	3.46	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	10.86	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.25
MG Growth Estimate	9.64%
MG Value	\$34.79
MG Value based on 3% Growth	\$18.16
MG Value based on 0% Growth	\$10.65
Market Implied Growth Rate	5.18%

MG Opinion

Current Price	\$23.62
% of Intrinsic Value	67.89%
Opinion	Undervalued
MG Grade	A

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$17.97
Graham Number	\$11.47
PEmg	18.86
Current Ratio	3.46
PB Ratio	3.73
Current Dividend	\$1.35
Dividend Yield	5.73%
Number of Consecutive Years of Dividend Growth	20

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.95	Next Fiscal Year Estimate	\$1.25
Dec2017	\$0.71	Dec2017	\$1.39
Dec2016	\$2.01	Dec2016	\$1.60
Dec2015	\$2.20	Dec2015	\$1.28
Dec2014	\$0.77	Dec2014	\$0.76
Dec2013	\$1.13	Dec2013	\$0.72
Dec2012	\$0.57	Dec2012	\$0.51
Dec2011	\$0.52	Dec2011	\$0.47
Dec2010	\$0.32	Dec2010	\$0.44
Dec2009	\$0.72	Dec2009	\$0.47
Dec2008	\$0.31	Dec2008	\$0.32
Dec2007	\$0.36	Dec2007	\$0.31
Dec2006	\$0.52	Dec2006	\$0.28
Dec2005	\$0.08	Dec2005	\$0.17
Dec2004	\$0.13	Dec2004	\$0.20
Dec2003	\$0.30	Dec2003	\$0.24
Dec2002	\$0.27	Dec2002	\$0.23
Dec2001	\$0.17	Balance Sheet Information 3/1/2018 Total Current Assets \$229,589,000 Total Current Liabilities \$66,405,000 Long-Term Debt \$1,772,055,000 Total Assets \$2,505,858,000 Intangible Assets \$0 Total Liabilities \$1,912,367,000 Shares Outstanding (Diluted Average) 93,644,000	
Dec2000	\$0.08		
Dec1999	\$0.44		
Dec1998	\$0.31		





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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