

# ModernGraham Valuation

Company Name:

Kilroy Realty Corp

Company Ticker KRC

Date of Analysis

8/22/2018



## 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	\$7,236,641,007	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.11	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	287.76%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	39.14	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.79	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	0.11	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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	\$1.86
MG Growth Estimate	2.61%
<b>MG Value</b>	<b>\$25.45</b>
MG Value based on 3% Growth	\$26.91
MG Value based on 0% Growth	\$15.78
Market Implied Growth Rate	15.32%

### MG Opinion

Current Price	\$72.65
% of Intrinsic Value	285.49%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

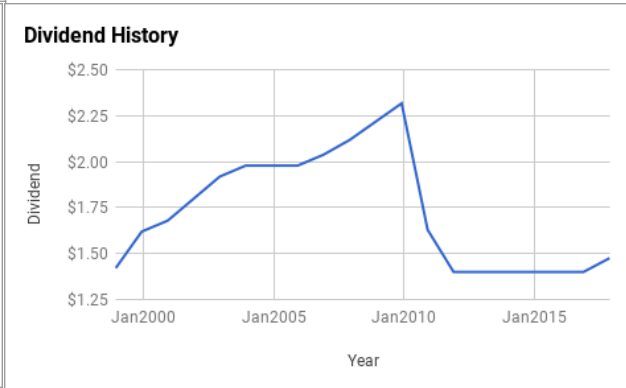
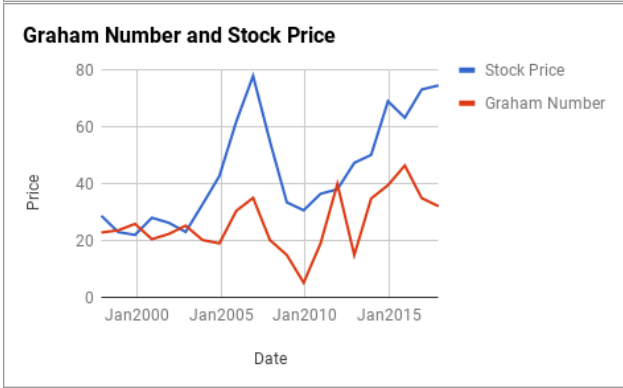
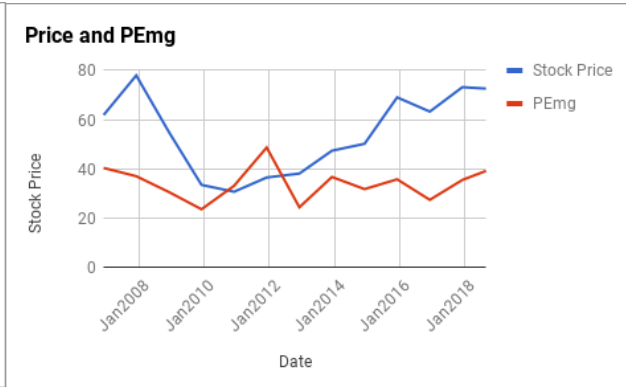
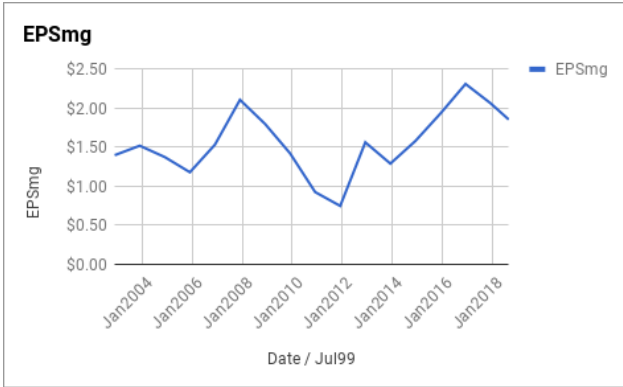
Net Current Asset Value (NCAV)	-\$29.55
Graham Number	\$32.09
PEmg	39.14
Current Ratio	0.11
PB Ratio	1.79
Current Dividend	\$1.65
Dividend Yield	2.27%
Number of Consecutive Years of Dividend Growth	2

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.22	Next Fiscal Year Estimate	\$1.86
Dec2017	\$1.51	Dec2017	\$2.06
Dec2016	\$2.97	Dec2016	\$2.31
Dec2015	\$2.42	Dec2015	\$1.93
Dec2014	\$1.95	Dec2014	\$1.58
Dec2013	\$0.37	Dec2013	\$1.29
Dec2012	\$3.56	Dec2012	\$1.56
Dec2011	\$0.87	Dec2011	\$0.75
Dec2010	\$0.07	Dec2010	\$0.93
Dec2009	\$0.53	Dec2009	\$1.42
Dec2008	\$0.91	Dec2008	\$1.80
Dec2007	\$3.20	Dec2007	\$2.11
Dec2006	\$2.30	Dec2006	\$1.53
Dec2005	\$0.84	Dec2005	\$1.18
Dec2004	\$1.06	Dec2004	\$1.37
Dec2003	\$1.79	Dec2003	\$1.52
Dec2002	\$1.39	Dec2002	\$1.40
Dec2001	\$1.12	<b>Balance Sheet Information 6/1/2018</b>	
Dec2000	\$1.75	Total Current Assets	\$361,215,000
Dec1999	\$1.44	Total Current Liabilities	\$3,320,911,000
Dec1998	\$1.43	Long-Term Debt	\$0
		Total Assets	\$7,384,784,000
		Intangible Assets	\$186,649,000
		Total Liabilities	\$3,320,911,000
		Shares Outstanding (Diluted Average)	100,151,000





**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 [Kilroy Realty Corp Valuation – Initial Coverage \\$KRC](#)

Other ModernGraham posts about related companies [Crombie Real Estate Investment Trust Valuation – August 2018 \\$TSE-CRR.UN](#)  
[Charles River Laboratories International Inc Valuation – August 2018 \\$CRL](#)  
[SmartCentres Real Estate Investment Trust Valuation – August 2018 \\$TSE-SRU.UN](#)  
[Camden Property Trust Valuation – August 2018 \\$CPT](#)  
[Senior Housing Properties Trust Valuation – August 2018 \\$SNH](#)  
[CoreSite Realty Corp Valuation – August 2018 \\$COR](#)  
[Tanger Factory Outlet Centers Inc Valuation – July 2018 \\$SKT](#)  
[Capstead Mortgage Corp Valuation – July 2018 \\$CMO](#)  
[Mack-Cali Realty Corp Valuation – July 2018 \\$CLI](#)  
[Chesapeake Lodging Trust Valuation – July 2018 \\$CHSP](#)