

ModernGraham Valuation

LaSalle Hotel
Properties



Company Name:

Company Ticker LHO

Date of Analysis

9/9/2018

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	\$3,842,945,759	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.62	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-840.74%	Fail
6. Moderate PEmg Ratio	PEmg < 20	28.41	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.63	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	1.62	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.17	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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.23
MG Growth Estimate	4.92%
MG Value	\$22.47
MG Value based on 3% Growth	\$17.77
MG Value based on 0% Growth	\$10.42
Market Implied Growth Rate	9.95%

MG Opinion

Current Price	\$34.81
% of Intrinsic Value	154.89%
Opinion	Overvalued
MG Grade	C+

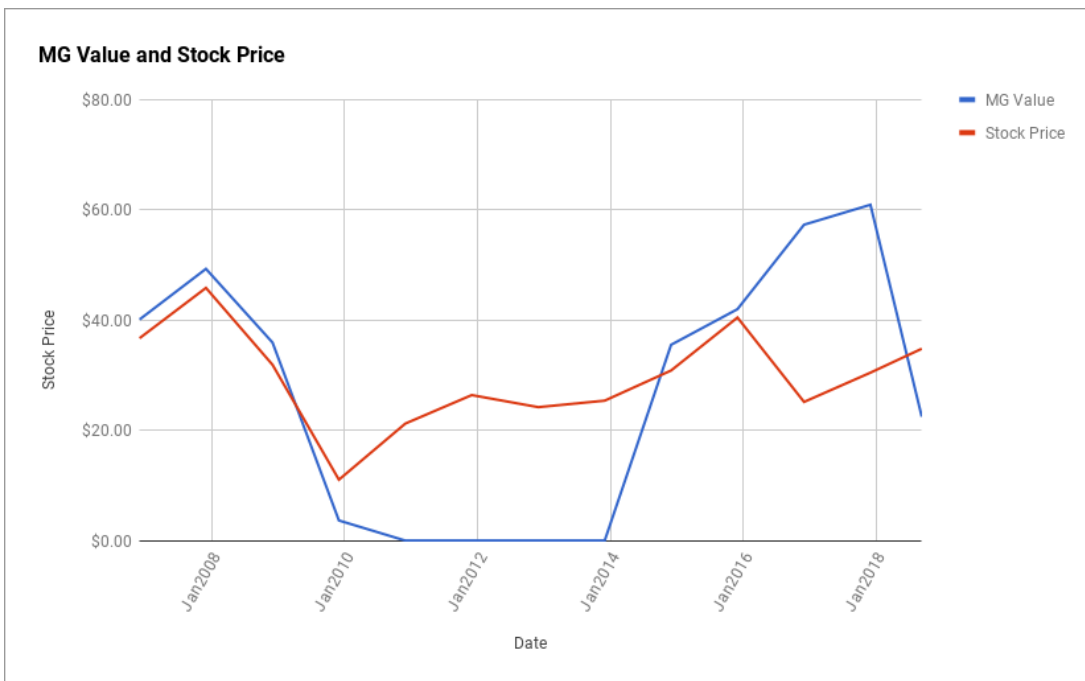
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$8.56
Graham Number	\$13.85
PEmg	28.41
Current Ratio	1.62
PB Ratio	1.63
Current Dividend	\$1.80
Dividend Yield	5.17%
Number of Consecutive Years of Dividend Growth	8

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.39	Next Fiscal Year Estimate	\$1.23
Dec2017	\$1.54	Dec2017	\$1.58
Dec2016	\$2.07	Dec2016	\$1.49
Dec2015	\$1.09	Dec2015	\$1.09
Dec2014	\$1.88	Dec2014	\$0.92
Dec2013	\$0.73	Dec2013	\$0.34
Dec2012	\$0.52	Dec2012	\$0.12
Dec2011	\$0.16	Dec2011	\$0.02
Dec2010	-\$0.36	Dec2010	\$0.17
Dec2009	-\$0.34	Dec2009	\$0.55
Dec2008	\$0.25	Dec2008	\$0.98
Dec2007	\$1.53	Dec2007	\$1.28
Dec2006	\$1.85	Dec2006	\$1.04
Dec2005	\$0.67	Dec2005	\$0.59
Dec2004	\$0.39	Dec2004	\$0.50
Dec2003	\$1.37	Dec2003	\$0.55
Dec2002	-\$0.21	Dec2002	\$0.22
Dec2001	\$0.21	Balance Sheet Information 6/1/2018	
Dec2000	\$0.32	Total Current Assets	\$343,334,000
Dec1999	\$0.91	Total Current Liabilities	\$211,316,000
Dec1998	\$0.80	Long-Term Debt	\$1,078,403,000
		Total Assets	\$3,651,538,000
		Intangible Assets	\$0
		Total Liabilities	\$1,289,719,000
		Shares Outstanding (Diluted Average)	110,552,000





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

- [5 Best Stocks for Value Investors This Week – 3/18/17](#)
- [LaSalle Hotel Properties Valuation – Initial Coverage \\$LHO](#)

Other ModernGraham posts about related companies

- [CareTrust REIT Inc Valuation – August 2018 \\$CTRE](#)
- [Lamar Advertising Co Valuation – August 2018 \\$LAMR](#)
- [Unifi Group Inc Valuation – August 2018 \\$UNIT](#)
- [Kite Realty Group Trust Valuation – August 2018 \\$KRG](#)
- [Kilroy Realty Corp Valuation – August 2018 \\$KRC](#)
- [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](#)