

ModernGraham Valuation

Company Name:

Vornado Realty Trust

Company Ticker VNO

Date of Analysis

1/31/2019



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	\$13,188,708,333	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.64	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	-13.85%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	27.41	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.22	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	4.64	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	6.48	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	\$2.53
MG Growth Estimate	0.25%
MG Value	\$22.75
MG Value based on 3% Growth	\$36.67
MG Value based on 0% Growth	\$21.49
Market Implied Growth Rate	9.45%

MG Opinion

Current Price	\$69.31
% of Intrinsic Value	304.69%
Opinion	Overvalued
MG Grade	C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$45.94
Graham Number	\$30.10
PEmg	27.41
Current Ratio	4.64
PB Ratio	2.22
Current Dividend	\$2.62
Dividend Yield	3.78%
Number of Consecutive Years of Dividend Growth	1

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		Next Fiscal Year Estimate	\$2.53
Dec2017	\$0.85	Dec2017	\$2.81
Dec2016	\$4.34	Dec2016	\$3.50
Dec2015	\$3.59	Dec2015	\$2.88
Dec2011	\$3.23	Dec2011	\$2.49
Dec2010	\$3.24	Dec2010	\$2.22
Dec2009	\$0.28	Dec2009	\$1.96
Dec2008	\$2.10	Dec2008	\$2.96
Dec2007	\$3.17	Dec2007	\$3.47
Dec2006	\$3.34	Dec2006	\$3.53
Dec2005	\$3.49	Dec2005	\$3.47
Dec2004	\$4.33	Dec2004	\$3.28
Dec2003	\$3.73	Dec2003	\$2.64
Dec2002	\$1.87	Dec2002	\$2.06
Dec2001	\$2.42	Dec2001	\$2.02
Dec2000	\$2.16	Dec2000	\$1.72
Dec1999	\$1.90	Dec1999	\$1.52
Dec1998	\$1.56	Balance Sheet Information	
Dec1997	\$0.78	9/1/2018	
Dec1996	\$1.23	Total Current Assets	\$1,926,900,000
Dec1995	\$2.21	Total Current Liabilities	\$415,531,000
		Long-Term Debt	\$9,792,659,000
		Total Assets	\$16,678,020,000
		Intangible Assets	\$139,994,000
		Total Liabilities	\$10,715,929,000
		Shares Outstanding (Diluted Average)	191,327,000





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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[Simon Property Group Inc Valuation – January 2019 \\$SPG](#)
[Crown Castle International Corp Valuation – January 2019 \\$CCI](#)
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