

ModernGraham Valuation

Company Name:

Company Ticker HST
Date of Analysis

Host Hotels and
Resorts Inc

2/3/2019



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	\$13,386,799,159	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	7.13	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-494.12%	Fail
5. Earnings Growth	PEmg < 20	20.75	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.81	Pass
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	7.13	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.51	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	\$0.87
MG Growth Estimate	15.00%
MG Value	\$33.47
MG Value based on 3% Growth	\$12.61
MG Value based on 0% Growth	\$7.39
Market Implied Growth Rate	6.13%

MG Opinion

Current Price	\$18.04
% of Intrinsic Value	53.90%
Opinion	Undervalued
MG Grade	B

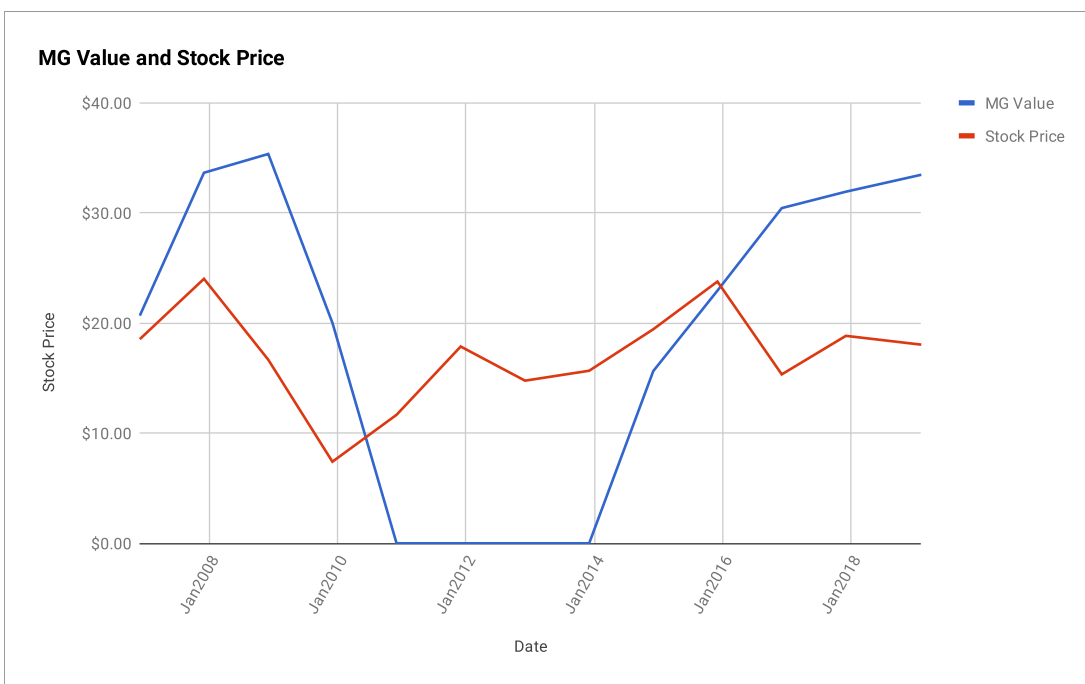
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.88
Graham Number	\$13.82
PEmg	20.75
Current Ratio	7.13
PB Ratio	1.81
Current Dividend	\$0.80
Dividend Yield	4.43%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.90	Next Fiscal Year Estimate	\$0.87
Dec2017	\$0.76	Dec2017	\$0.83
Dec2016	\$1.02	Dec2016	\$0.79
Dec2015	\$0.74	Dec2015	\$0.60
Dec2014	\$0.96	Dec2014	\$0.43
Dec2013	\$0.42	Dec2013	\$0.10
Dec2012	\$0.08	Dec2012	-\$0.03
Dec2011	-\$0.02	Dec2011	\$0.03
Dec2010	-\$0.21	Dec2010	\$0.22
Dec2009	-\$0.45	Dec2009	\$0.52
Dec2008	\$0.72	Dec2008	\$0.92
Dec2007	\$1.30	Dec2007	\$0.87
Dec2006	\$1.45	Dec2006	\$0.54
Dec2005	\$0.37	Dec2005	\$0.06
Dec2004	-\$0.12	Dec2004	-\$0.04
Dec2003	-\$0.07	Dec2003	\$0.09
Dec2002	-\$0.19	Dec2002	\$0.22
Dec2001	\$0.08	Balance Sheet Information 9/1/2018	
Dec2000	\$0.62	Total Current Assets	\$1,889,000,000
Dec1999	\$0.90	Total Current Liabilities	\$265,000,000
Dec1998	\$0.22	Long-Term Debt	\$4,079,000,000
		Total Assets	\$12,155,000,000
		Intangible Assets	\$0
		Total Liabilities	\$4,760,000,000
		Shares Outstanding (Diluted Average)	740,500,000





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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