

# ModernGraham Valuation

Company Name:

Duke Realty Corp

Company Ticker DRE

Date of Analysis

3/2/2019



## 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	\$10,579,736,074	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.51	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-1477.27%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	18.69	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.28	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	2.51	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	9.68	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>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.58
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$60.68</b>
MG Value based on 3% Growth	\$22.85
MG Value based on 0% Growth	\$13.40
Market Implied Growth Rate	5.09%

### MG Opinion

Current Price	\$29.45
% of Intrinsic Value	48.54%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B</b>

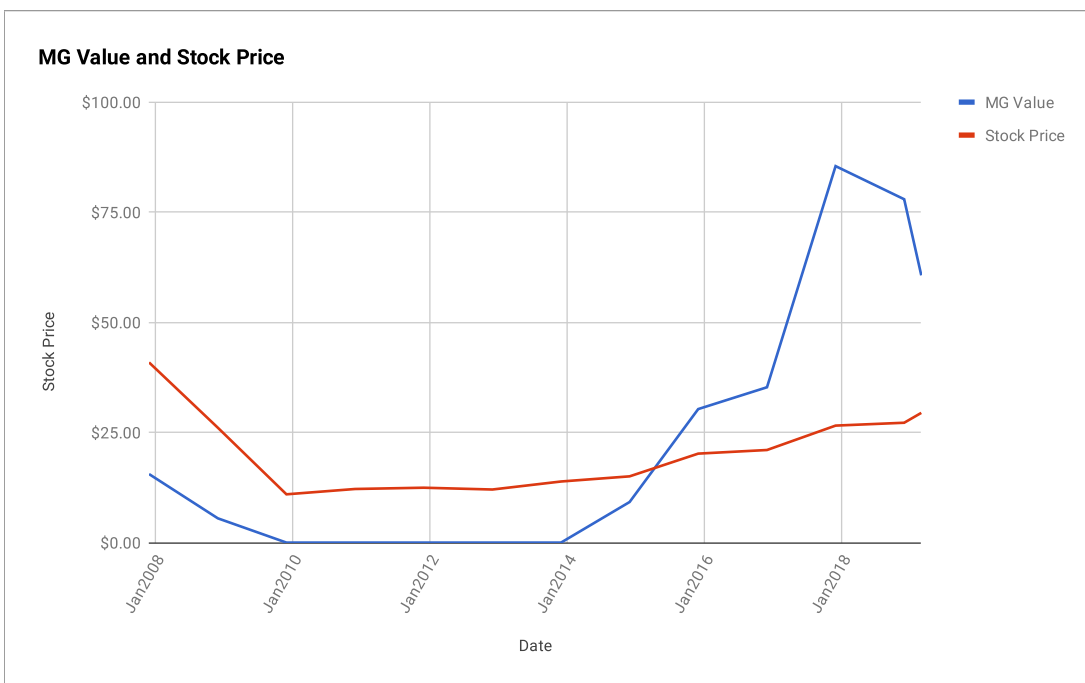
## Stage 3: Information for Further Research

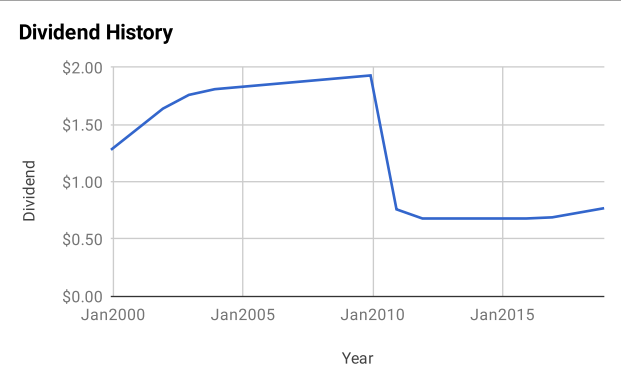
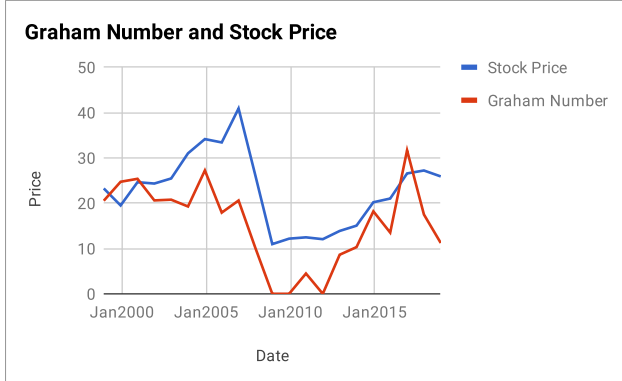
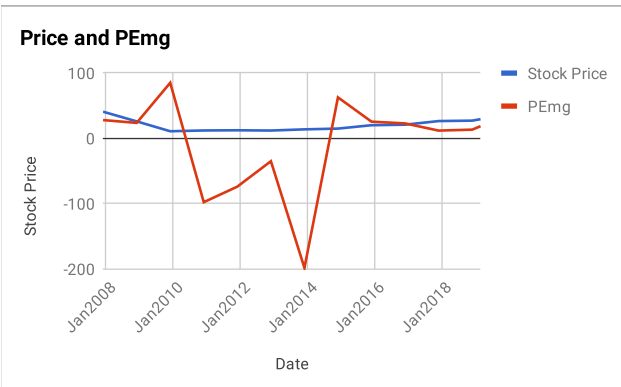
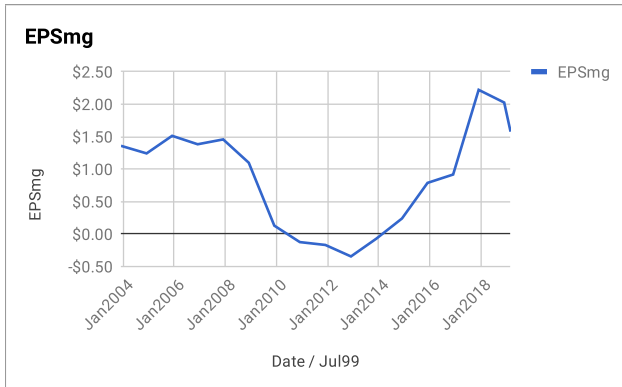
Net Current Asset Value (NCAV)	-\$7.22
Graham Number	\$11.21
PEmg	18.69
Current Ratio	2.51
PB Ratio	2.28
Current Dividend	\$0.82
Dividend Yield	2.77%
Number of Consecutive Years of Dividend Growth	4

### 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	\$0.43	Next Fiscal Year Estimate	\$1.58
Dec2018	\$1.07	Dec2018	\$2.02
Dec2017	\$4.56	Dec2017	\$2.22
Dec2016	\$0.88	Dec2016	\$0.92
Dec2015	\$1.77	Dec2015	\$0.79
Dec2014	\$0.60	Dec2014	\$0.24
Dec2013	\$0.47	Dec2013	-\$0.07
Dec2012	-\$0.48	Dec2012	-\$0.35
Dec2011	\$0.11	Dec2011	-\$0.17
Dec2010	-\$0.07	Dec2010	-\$0.12
Dec2009	-\$1.67	Dec2009	\$0.13
Dec2008	\$0.33	Dec2008	\$1.10
Dec2007	\$1.55	Dec2007	\$1.46
Dec2006	\$1.07	Dec2006	\$1.38
Dec2005	\$2.17	Dec2005	\$1.51
Dec2004	\$1.06	Dec2004	\$1.24
Dec2003	\$1.19	Dec2003	\$1.36
Dec2002	\$1.14	<b>Balance Sheet Information</b>	<b>12/1/2018</b>
Dec2001	\$1.74	Total Current Assets	\$456,336,000
Dec2000	\$1.66	Total Current Liabilities	\$181,799,000
Dec1999	\$1.32	Long-Term Debt	\$2,658,501,000
		Total Assets	\$7,804,024,000
		Intangible Assets	\$107,716,000
		Total Liabilities	\$3,090,781,000
		Shares Outstanding (Diluted Average)	364,953,000





**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** [10 Best Dividend Paying Stocks for the Enterprising Investor – May 2018](#)  
[Duke Realty Corp Valuation – Initial Coverage \\$DRE](#)

**Other ModernGraham posts about related companies** [Realty Income Corp Valuation – February 2019 \\$O](#)  
[Ventas Inc Valuation – February 2019 \\$VTR](#)  
[SL Green Realty Corp Valuation – February 2019 \\$SLG](#)  
[Regency Centers Corp Valuation – February 2019 \\$REG](#)  
[Host Hotels & Resorts Inc Valuation – February 2019 \\$HST](#)  
[Vornado Realty Trust Valuation – January 2019 \\$VNO](#)  
[Public Storage Valuation – January 2019 \\$PSA](#)  
[Macerich Co Valuation – January 2019 \\$MAC](#)  
[HCP Inc Valuation – January 2019 \\$HCP](#)  
[Apartment Investment and Management Co Valuation – January 2019 \\$AIV](#)