

ModernGraham Valuation

Company Name:

Equity Residential

Company Ticker EQR

Date of Analysis

3/14/2019



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	\$27,685,836,753	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.13	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	-30.92%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	25.76	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.77	Fail

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	0.13	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-27.19	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.91
MG Growth Estimate	0.36%
MG Value	\$26.77
MG Value based on 3% Growth	\$42.14
MG Value based on 0% Growth	\$24.70
Market Implied Growth Rate	8.63%

MG Opinion

Current Price	\$74.85
% of Intrinsic Value	279.62%
Opinion	Overvalued
MG Grade	D+

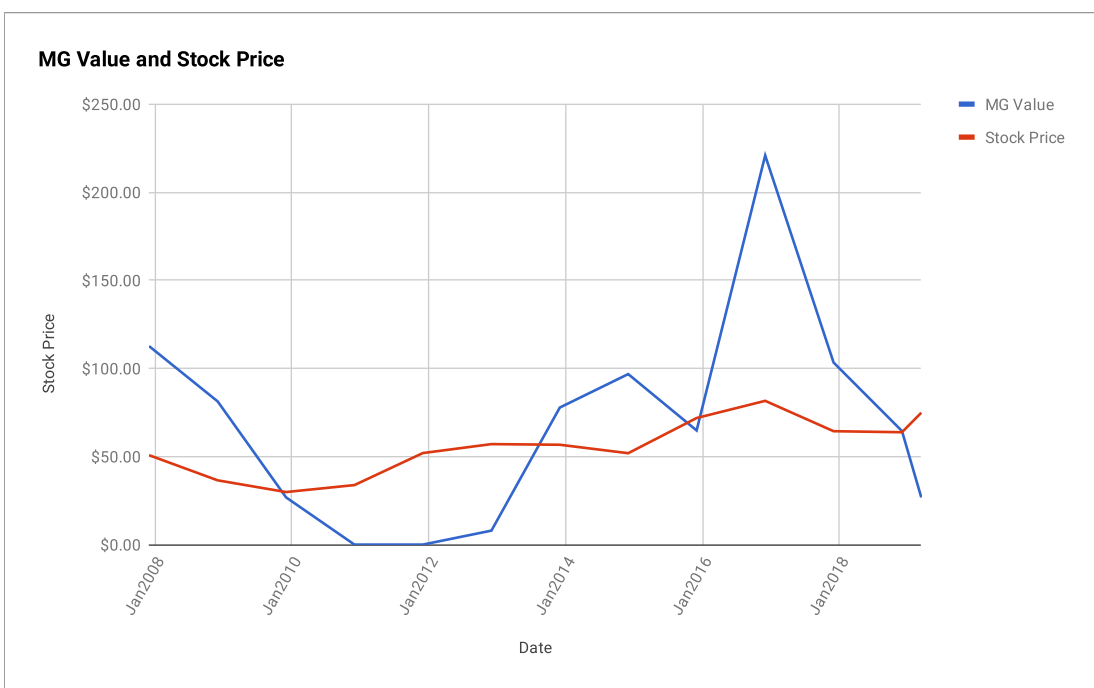
Stage 3: Information for Further Research

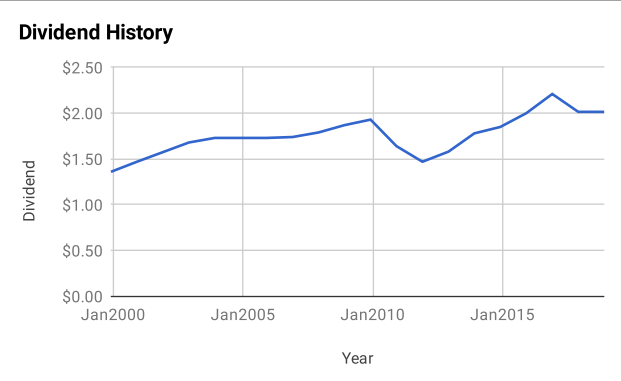
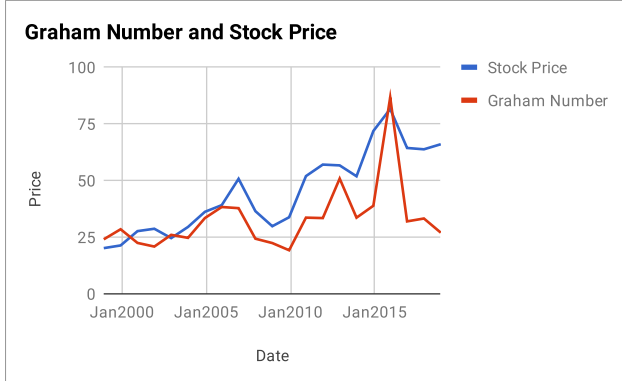
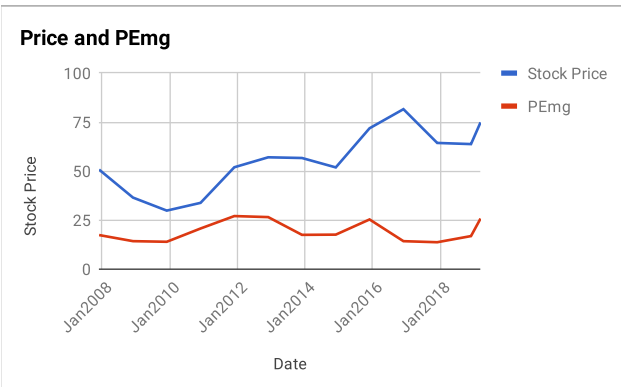
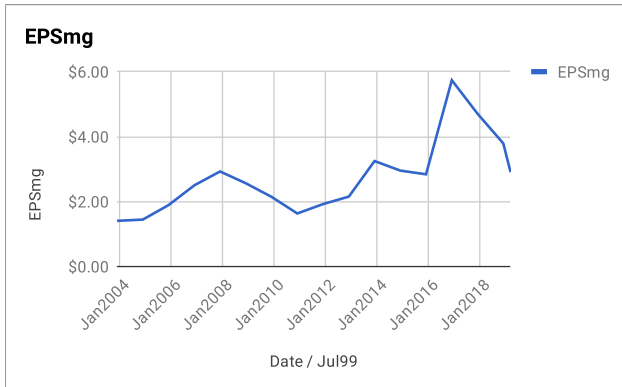
Net Current Asset Value (NCAV)	-\$25.87
Graham Number	\$26.99
PEmg	25.76
Current Ratio	0.13
PB Ratio	2.77
Current Dividend	\$2.16
Dividend Yield	2.89%
Number of Consecutive Years of Dividend Growth	1

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	\$1.18	Next Fiscal Year Estimate	\$2.91
Dec2018	\$1.77	Dec2018	\$3.79
Dec2017	\$1.63	Dec2017	\$4.70
Dec2016	\$11.68	Dec2016	\$5.74
Dec2015	\$2.36	Dec2015	\$2.84
Dec2014	\$1.73	Dec2014	\$2.95
Dec2013	\$5.16	Dec2013	\$3.25
Dec2012	\$2.70	Dec2012	\$2.15
Dec2011	\$2.98	Dec2011	\$1.92
Dec2010	\$0.95	Dec2010	\$1.63
Dec2009	\$1.27	Dec2009	\$2.14
Dec2008	\$1.46	Dec2008	\$2.56
Dec2007	\$3.39	Dec2007	\$2.93
Dec2006	\$3.50	Dec2006	\$2.50
Dec2005	\$2.79	Dec2005	\$1.89
Dec2004	\$1.50	Dec2004	\$1.44
Dec2003	\$1.57	Dec2003	\$1.40
Dec2002	\$1.18	Balance Sheet Information	12/1/2018
Dec2001	\$1.34	Total Current Assets	\$47,442,000
Dec2000	\$1.67	Total Current Liabilities	\$371,694,000
Dec1999	\$1.14	Long-Term Debt	\$8,817,939,000
		Total Assets	\$20,394,209,000
		Intangible Assets	\$0
		Total Liabilities	\$9,994,560,000
		Shares Outstanding (Diluted Average)	384,481,000





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**
- [Equity Residential Valuation – June 2018 \\$EQR](#)
 - [11 Best Stocks for Value Investors This Week – 3/4/17](#)
 - [10 Low PE Stock Picks for the Defensive Investor – February 2017](#)
 - [Equity Residential Valuation – February 2017 \\$EQR](#)
 - [Most Undervalued Stocks of the S&P 500 – February 2017](#)

- Other ModernGraham posts about related companies**
- [Duke Realty Corp Valuation – March 2019 \\$DRE](#)
 - [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](#)