

ModernGraham Valuation

Essex Property Trust
Inc



Company Name:

Company Ticker ESS

Date of Analysis

3/24/2019

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	\$19,097,355,643	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.83	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	196.37%	Pass
6. Moderate PEmg Ratio	PEmg < 20	52.67	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.00	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	0.83	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-107.33	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	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.52
MG Growth Estimate	12.07%
MG Value	\$180.19
MG Value based on 3% Growth	\$80.03
MG Value based on 0% Growth	\$46.91
Market Implied Growth Rate	22.09%

MG Opinion

Current Price	\$290.71
% of Intrinsic Value	161.34%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

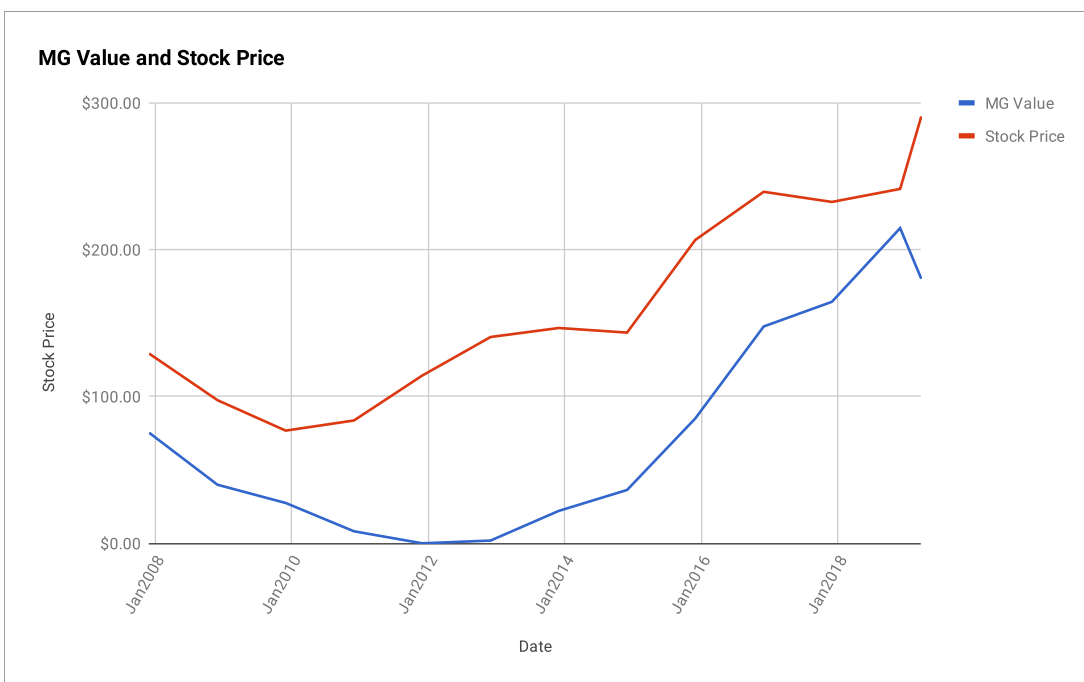
Net Current Asset Value (NCAV)	-\$86.69
Graham Number	\$100.18
PEmg	52.67
Current Ratio	0.83
PB Ratio	3.00
Current Dividend	\$7.44
Dividend Yield	2.56%
Number of Consecutive Years of Dividend Growth	20

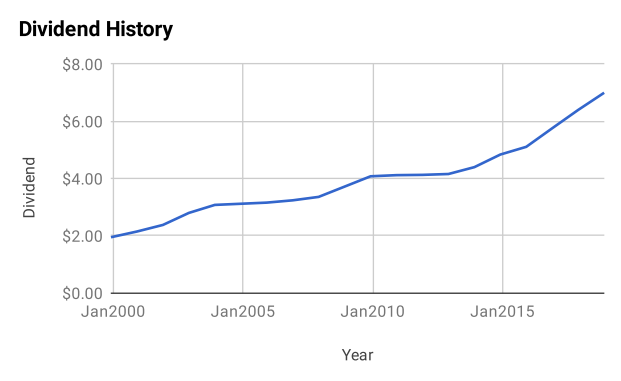
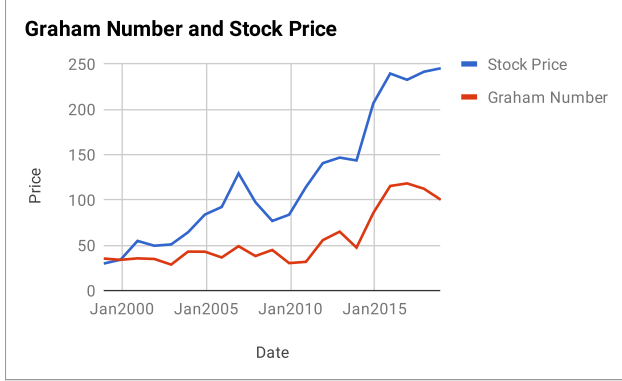
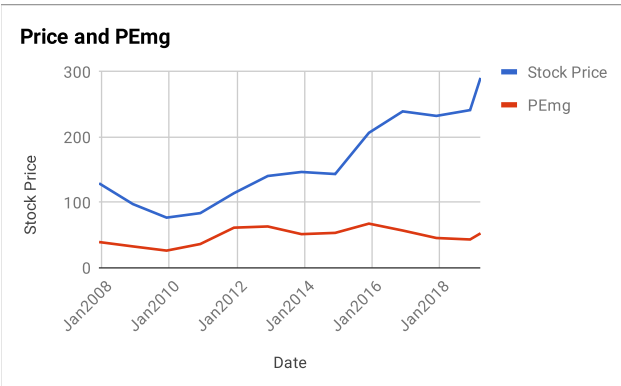
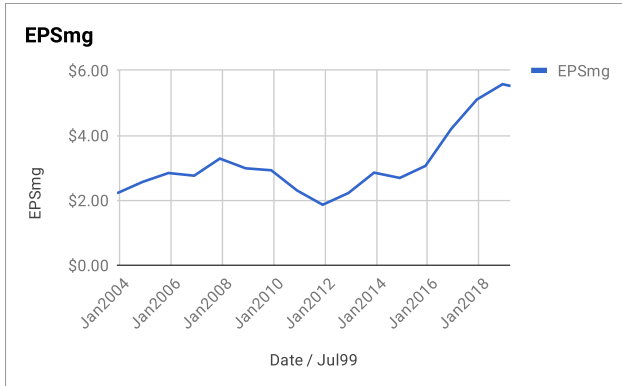
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[Morningstar](#)
[MSN Money](#)
[Seeking Alpha](#)
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.69	Next Fiscal Year Estimate	\$5.52
Dec2018	\$5.90	Dec2018	\$5.58
Dec2017	\$6.57	Dec2017	\$5.10
Dec2016	\$6.27	Dec2016	\$4.20
Dec2015	\$3.49	Dec2015	\$3.06
Dec2014	\$2.06	Dec2014	\$2.69
Dec2013	\$4.04	Dec2013	\$2.85
Dec2012	\$3.41	Dec2012	\$2.22
Dec2011	\$1.24	Dec2011	\$1.86
Dec2010	\$1.14	Dec2010	\$2.30
Dec2009	\$2.91	Dec2009	\$2.92
Dec2008	\$2.09	Dec2008	\$2.98
Dec2007	\$4.24	Dec2007	\$3.28
Dec2006	\$2.45	Dec2006	\$2.76
Dec2005	\$3.32	Dec2005	\$2.84
Dec2004	\$3.36	Dec2004	\$2.57
Dec2003	\$1.57	Dec2003	\$2.22
Dec2002	\$2.60	Balance Sheet Information 12/1/2018	
Dec2001	\$2.63	Total Current Assets	\$262,729,000
Dec2000	\$2.37	Total Current Liabilities	\$314,960,000
Dec1999	\$2.36	Long-Term Debt	\$5,605,942,000
		Total Assets	\$12,383,596,000
		Intangible Assets	\$0
		Total Liabilities	\$5,989,752,000
		Shares Outstanding (Diluted Average)	66,061,000





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**
- [Essex Property Trust Inc Valuation – June 2018 \\$ESS](#)
 - [Essex Property Trust Inc Valuation – March 2017 \\$ESS](#)
 - [Essex Property Trust Inc. Analysis – October 2015 Update \\$ESS](#)
 - [Essex Property Trust Inc. Analysis – Initial Coverage \\$ESS](#)

- Other ModernGraham posts about related companies**
- [Federal Realty Investment Trust Valuation – March 2019 #FRT](#)
 - [UDR Inc Valuation – March 2019 #UDR](#)
 - [Mid-America Apartment Communities Inc Valuation – March 2019 #MAA](#)
 - [Extra Space Storage Inc Valuation – March 2019 #EXR](#)
 - [Digital Realty Trust Inc Valuation – March 2019 #DLR](#)
 - [Equity Residential Valuation – March 2019 #EQR](#)
 - [Prologis Inc Valuation – March 2019 #PLD](#)
 - [Duke Realty Corp Valuation – March 2019 \\$DRE](#)
 - [Realty Income Corp Valuation – February 2019 \\$O](#)
 - [Ventas Inc Valuation – February 2019 \\$VTR](#)