

ModernGraham Valuation

Company Name:

Company Ticker EXR

Date of Analysis

3/17/2019

Extra Space Storage,
Inc.



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	\$12,701,894,064	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.50	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	403.54%	Pass
5. Earnings Growth	PEmg < 20	32.23	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.79	Fail
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	0.50	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-65.05	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	\$3.10
MG Growth Estimate	15.00%
MG Value	\$119.20
MG Value based on 3% Growth	\$44.89
MG Value based on 0% Growth	\$26.32
Market Implied Growth Rate	11.86%

MG Opinion

Current Price	\$99.78
% of Intrinsic Value	83.71%
Opinion	Fairly Valued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$37.35
Graham Number	\$35.52
PEmg	32.23
Current Ratio	0.50
PB Ratio	4.79
Current Dividend	\$3.36
Dividend Yield	3.37%
Number of Consecutive Years of Dividend Growth	9

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.94	Next Fiscal Year Estimate	\$3.10
Dec2018	\$3.27	Dec2018	\$2.98
Dec2017	\$3.76	Dec2017	\$2.65
Dec2016	\$2.91	Dec2016	\$1.97
Dec2015	\$1.56	Dec2015	\$1.42
Dec2014	\$1.53	Dec2014	\$1.24
Dec2013	\$1.53	Dec2013	\$0.99
Dec2012	\$1.14	Dec2012	\$0.66
Dec2011	\$0.54	Dec2011	\$0.43
Dec2010	\$0.30	Dec2010	\$0.38
Dec2009	\$0.37	Dec2009	\$0.38
Dec2008	\$0.46	Dec2008	\$0.22
Dec2007	\$0.53	Dec2007	-\$0.38
Dec2006	\$0.27	Dec2006	-\$1.29
Dec2005	-\$0.14	Dec2005	-\$2.13
Dec2004	-\$1.68	Dec2004	-\$2.83
Dec2003	-\$5.62	Dec2003	-\$2.90
Dec2002	-\$3.84	Balance Sheet Information 12/1/2018	
Dec2001	\$0.00	Total Current Assets	\$72,690,000
Dec2000	\$0.00	Total Current Liabilities	\$146,658,000
Dec1999	\$0.00	Long-Term Debt	\$4,811,515,000
		Total Assets	\$7,847,978,000
		Intangible Assets	\$0
		Total Liabilities	\$5,062,556,000
		Shares Outstanding (Diluted Average)	133,589,000





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

[Extra Space Storage Inc Valuation – June 2018 \\$EXR](#)
[Extra Space Storage Inc Valuation – Initial Coverage \\$EXR](#)

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