ModernGraham Valuation

Company Name:

Extra Space Storage, Inc.



Company Ticker

Date of Analysis 3/17/2019

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.

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
Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	403.54% Pass
Moderate PEmg Ratio	PEmg < 20	32.23 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.79 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

 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	Pass
	Score	

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

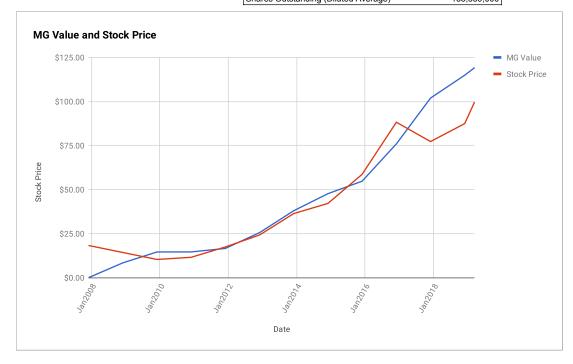
Net Current Asset Value (NCAV)	-\$37.35
Graham Number	\$35.52
PEmg	32.23
Current Ratio	0.50
PB Ratio	4.79
Current Dividend	\$3.36
Dividend Yield	3.37%
Number of Consecutive Years of Dividend Growth	9

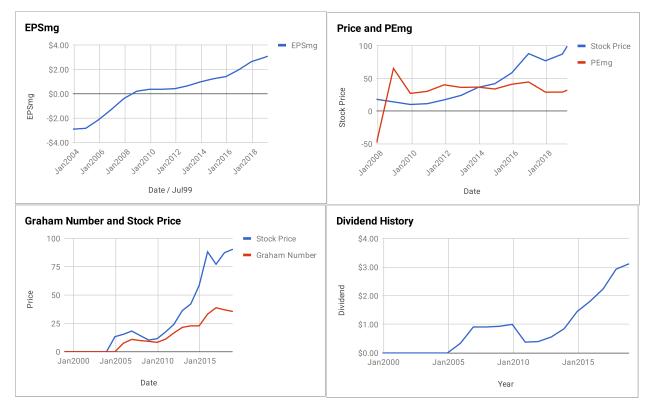
Morningstar

Useful Links: ModernGraham tagged articles

Google Finance MSN Money Yahoo Finance Seeking Alpha **GuruFocus SEC Filings**

EPS History		EPSmg History	
Next Fiscal Year	•••		20.40
Estimate	•	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

Equity Residential Valuation - March 2019 #EQR

Other ModernGraham posts about related companies

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

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