

ModernGraham Valuation

Mid-America
Apartment
Communities Inc



Company Name:

Company Ticker MAA

Date of Analysis

3/18/2019

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	\$12,056,183,749	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.08	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	52.37%	Pass
5. Earnings Growth	PEmg < 20	44.26	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.89	Pass
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	0.08	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-11.93	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.39
MG Growth Estimate	-2.51%
MG Value	\$8.32
MG Value based on 3% Growth	\$34.69
MG Value based on 0% Growth	\$20.34
Market Implied Growth Rate	17.88%

MG Opinion

Current Price	\$105.90
% of Intrinsic Value	1273.44%
Opinion	Overvalued
MG Grade	D+

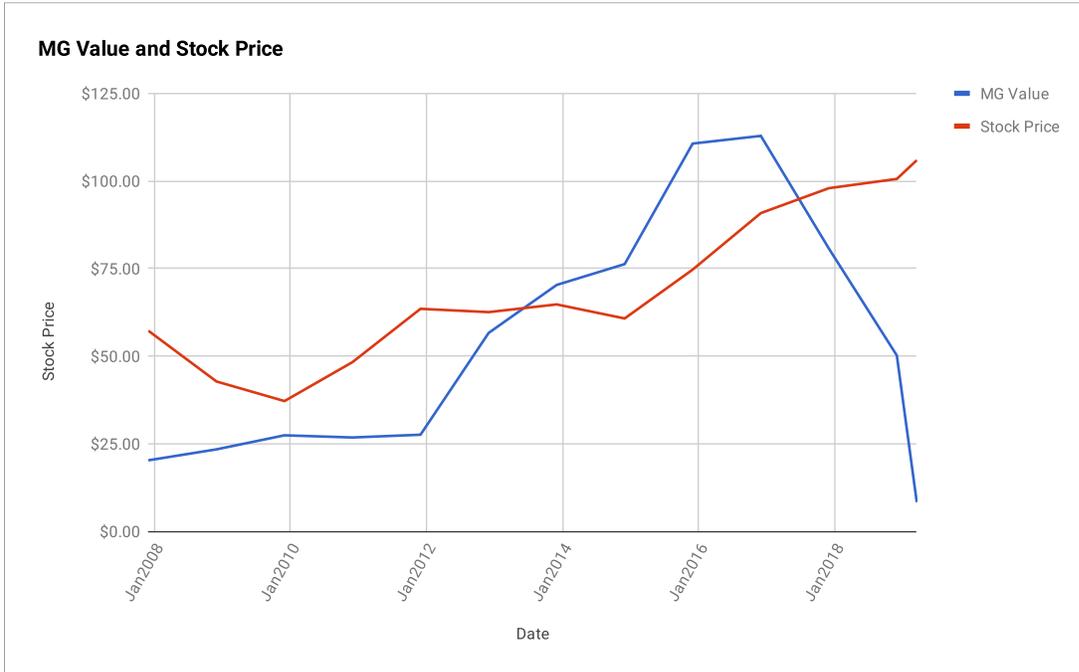
Stage 3: Information for Further Research

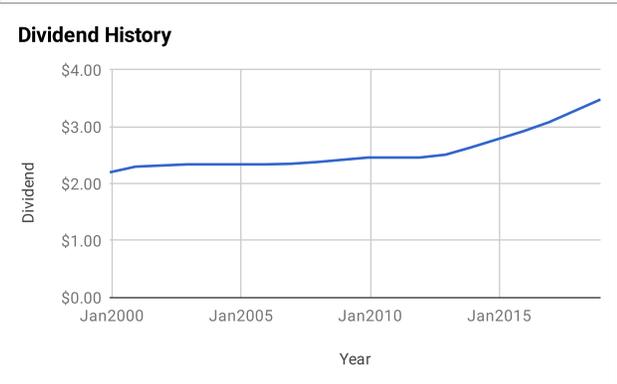
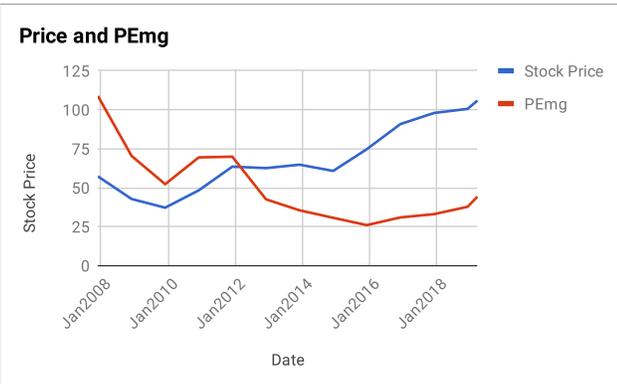
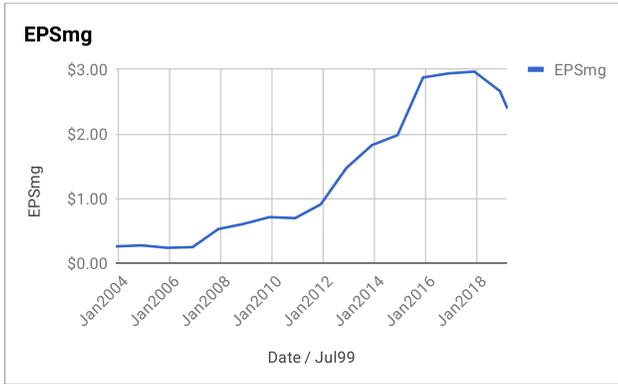
Net Current Asset Value (NCAV)	-\$43.18
Graham Number	\$48.81
PEmg	44.26
Current Ratio	0.08
PB Ratio	1.89
Current Dividend	\$3.69
Dividend Yield	3.48%
Number of Consecutive Years of Dividend Growth	8

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.96	Next Fiscal Year Estimate	\$2.39
Dec2018	\$1.93	Dec2018	\$2.66
Dec2017	\$2.86	Dec2017	\$2.97
Dec2016	\$2.69	Dec2016	\$2.94
Dec2015	\$4.41	Dec2015	\$2.87
Dec2014	\$1.97	Dec2014	\$1.98
Dec2013	\$2.25	Dec2013	\$1.83
Dec2012	\$2.56	Dec2012	\$1.47
Dec2011	\$1.31	Dec2011	\$0.91
Dec2010	\$0.56	Dec2010	\$0.70
Dec2009	\$0.85	Dec2009	\$0.71
Dec2008	\$0.64	Dec2008	\$0.61
Dec2007	\$1.01	Dec2007	\$0.53
Dec2006	\$0.29	Dec2006	\$0.25
Dec2005	\$0.25	Dec2005	\$0.24
Dec2004	\$0.50	Dec2004	\$0.27
Dec2003	-\$0.07	Dec2003	\$0.26
Dec2002	-\$0.11	Balance Sheet Information 12/1/2018	
Dec2001	\$0.72	Total Current Assets	\$34,259,000
Dec2000	\$0.78	Total Current Liabilities	\$413,850,000
Dec1999	\$0.93	Long-Term Debt	\$4,528,328,000
		Total Assets	\$11,323,781,000
		Intangible Assets	\$3,900,000
		Total Liabilities	\$4,951,592,000
		Shares Outstanding (Diluted Average)	113,881,000





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 [Mid-America Apartment Communities Inc Valuation – June 2018 \\$MAA](#)
[Mid-America Apartment Communities Inc Valuation – Initial Coverage \\$MAA](#)

Other ModernGraham posts about related companies [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](#)
[SL Green Realty Corp Valuation – February 2019 \\$SLG](#)
[Regency Centers Corp Valuation – February 2019 \\$REG](#)
[Host Hotels & Resorts Inc Valuation – February 2019 \\$HST](#)