

ModernGraham Valuation

Company Name:

Weyerhaeuser Co

Company Ticker WY

Date of Analysis

11/16/2015



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	\$15,055,052,331	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.79	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-10829.17%	Fail
6. Moderate PEmg Ratio	PEmg < 20	19.79	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.17	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	2.79	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.37	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

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.51
MG Growth Estimate	10.50%
MG Value	\$44.63
MG Value based on 3% Growth	\$21.94
MG Value based on 0% Growth	\$12.86
Market Implied Growth Rate	5.65%

MG Opinion

Current Price	\$29.95
% of Intrinsic Value	67.11%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$10.52
Graham Number	\$14.78
PEmg	19.79
Current Ratio	2.79
PB Ratio	3.17
Dividend Yield	3.94%
Number of Consecutive Years of Dividend Growth	5

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	\$1.02	Next Fiscal Year Estimate	\$1.51
Dec14	\$3.18	Dec14	\$1.80
Dec13	\$0.95	Dec13	\$1.10
Dec12	\$0.71	Dec12	\$0.93
Dec11	\$0.61	Dec11	\$0.89
Dec10	\$3.99	Dec10	\$0.89
Dec09	-\$0.96	Dec09	-\$0.44
Dec08	-\$2.06	Dec08	\$0.09
Dec07	\$1.33	Dec07	\$1.14
Dec06	\$0.68	Dec06	\$1.01
Dec05	\$1.10	Dec05	\$1.09
Dec04	\$2.01	Dec04	\$1.04
Dec03	\$0.46	Dec03	\$0.63
Dec02	\$0.40	Dec02	\$0.73
Dec01	\$0.60	Dec01	\$0.87
Dec00	\$1.38	Dec00	\$0.96
Dec99	\$0.94	Dec99	\$0.80
Dec98	\$0.54	Balance Sheet Information Sep15	
Dec97	\$0.63	Total Current Assets	\$2,502,000,000
Dec96	\$0.86	Total Current Liabilities	\$898,000,000
Dec95	\$1.45	Long-Term Debt	\$5,402,000,000
		Total Assets	\$12,820,000,000
		Intangible Assets	\$40,000,000
		Total Liabilities	\$7,942,000,000
		Shares Outstanding (Diluted Average)	517,088,000





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

- [10 Companies Benjamin Graham Would Invest In Today – November 2015](#)
- [10 Undervalued Companies for the Enterprising Dividend Stock Investor – October 2015](#)
- [10 Companies Benjamin Graham Would Invest In Today – September 2015](#)
- [10 Undervalued Companies for the Enterprising Dividend Stock Investor – August 2015](#)
- [15 Best Stocks For Value Investors This Week – 8/22/15](#)

Other ModernGraham posts about related companies

- [Boston Properties Inc. Valuation – November 2015 Update \\$BXP](#)
- [Welltower Inc. Valuation – November 2015 Update \\$HCN](#)
- [Kimco Realty Corporation Valuation – November 2015 Update \\$KIM](#)
- [Prologis Inc. Valuation – October 2015 Update \\$PLD](#)
- [HCP Inc. Valuation – October 2015 Update \\$HCP](#)
- [Essex Property Trust Inc. Analysis – October 2015 Update \\$ESS](#)
- [Macerich Company Analysis – September 2015 Update \\$MAC](#)
- [Alexandria Real Estate Equities Inc. Analysis – Initial Coverage \\$ARE](#)
- [Weyerhaeuser Company Analysis – August 2015 Update \\$WY](#)
- [Boston Properties Inc. Analysis – August 2015 Update \\$BXP](#)