

ModernGraham Valuation

Company Name:

Weyerhaeuser Co

Company Ticker WY

Date of Analysis

8/15/2015



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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Pass
3. Earnings Stability	Positive EPS for 10 years prior	Fail
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	Fail
5. Earnings Growth		Fail
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	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	1.49
MG Growth Estimate	10.05%
MG Value	\$42.51
MG Value based on 3% Growth	\$21.56
MG Value based on 0% Growth	\$12.64
Market Implied Growth Rate	6.24%

MG Opinion

Current Price	\$31.19
% of Intrinsic Value	73.37%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$10.47
PEmg	20.98
Current Ratio	2.74
PB Ratio	3.29
Dividend Yield	3.72%
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	\$0.94	Next Fiscal Year Estimate	\$1.49
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 Jun15	
Dec97	\$0.63	Total Current Assets	\$2,517,000,000
Dec96	\$0.86	Total Current Liabilities	\$919,000,000
Dec95	\$1.45	Long-Term Debt	\$5,402,000,000
		Total Assets	\$12,883,000,000
		Intangible Assets	\$40,000,000
		Total Liabilities	\$7,958,000,000
		Outstanding Shares	519,804,000



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

[5 Undervalued Companies for Enterprising Investors Near 52 Week Lows – July 2015](#)
[47 Companies in the Spotlight This Week – 5/16/15](#)
[Weyerhaeuser Company Quarterly Valuation – May 2015 \\$WY](#)
[34 Companies in the Spotlight This Week – 2/7/15](#)
[Weyerhaeuser Company Quarterly Valuation – February 2015 \\$WY](#)

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posts about related
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[Health Care REIT Inc. Analysis – August 2015 Update \\$HCN](#)
[Kimco Realty Corporation Analysis – August 2015 Update \\$KIM](#)
[American Campus Communities Inc. Analysis – Initial Coverage \\$ACC](#)
[Ventas Inc. Analysis – 2015 Update \\$VTR](#)
[National Retail Properties Inc. Analysis – Initial Coverage \\$NNN](#)
[SL Green Realty Corp Analysis – Initial Coverage \\$SLG](#)
[Essex Property Trust Inc. Analysis – Initial Coverage \\$ESS](#)
[Equity Residential Analysis – 2015 Update \\$EQR](#)
[Macerich Stock Analysis – May 2015 Quarterly Update \\$MAC](#)