ModernGraham Valuation

Company Name:

HCN Company Ticker Date of Analysis

11/12/2015



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	\$20,705,490,238	Pass
	2.	Sufficiently Strong Financial Condition	Current Ratio > 2	2.06	Pass
	3.	Earnings Stability	Positive EPS for 10 years prior		Pass
	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	-13.38%	Fail
	6.	Moderate PEmg Ratio	PEmg < 20	35.39	Fail
	7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.41	Pass
Investor;	ти	st pass 4 out of the following 5 tests, or be	e suitable for the Defensive Investor.		
	1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.06	Pass
	2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	15.73	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

Welltower Inc

Suitability

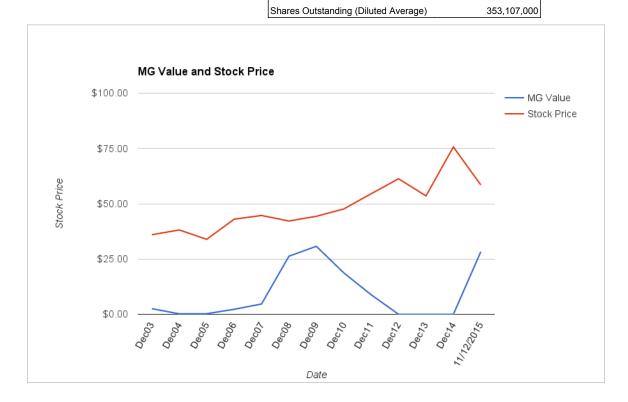
Enterprising

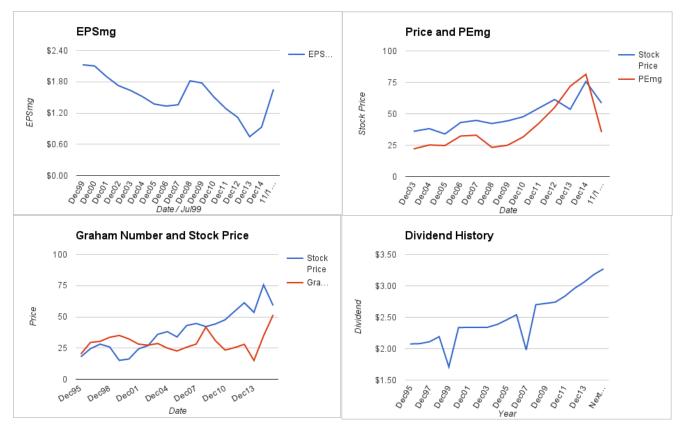
Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

U	EPSmg		\$1.65
	MG Growth Estimate		4.30%
	MG Value		\$28.29
	MG Value based on 3% Growth		\$23.97
	MG Value based on 0% Growth		\$14.05
	Market Implied Growth Rate		13.44%
MG Opinion			
	Current Price		\$58.51
	% of Intrinsic Value	20	06.84%
	Opinion	Overvalued	
Stage 3: Inform	mation for Further Research		
	Net Current Asset Value (NCAV)	-	-\$32.27
	Graham Number		\$51.58
	PEmg		35.39
	Current Ratio		2.06
	PB Ratio		1.41
	Dividend Yield		5.59%
	Number of Consecutive Years of Dividend		0.0070
	Growth		8
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	\$3.06	Next Fiscal Year Estimate	\$1.65
Dec14		Dec14	\$0.93
Dec13		Dec13	\$0.74
Dec12		Dec12	\$1.12
Dec11	\$0.90	Dec11	\$1.28
Dec10	\$0.83	Dec10	\$1.51
Dec09	\$1.49	Dec09	\$1.78
Dec08	\$2.76	Dec08	\$1.82
Dec07	\$1.46	Dec07	\$1.36
Dec06	\$1.31	Dec06	\$1.33
Dec05	\$1.15	Dec05	\$1.37
Dec04	\$1.39	Dec04	\$1.52
Dec03	\$1.60	Dec03	\$1.63
Dec02	\$1.48	Dec02	\$1.72
Dec01	\$1.52	Dec01	\$1.90
Dec00	\$1.91	Dec00	\$2.10
Dec99	\$2.21	Dec99	\$2.13
Dec98	\$2.24	Balance Sheet Information	Sep15
Dec97	\$2.12	Total Current Assets	\$1,415,709,000
Dec96	\$2.18	Total Current Liabilities	\$686,651,000
Dec95	\$1.16	Long-Term Debt	\$11,467,780,000
		Total Assets	\$27,456,370,000
		Intangible Assets	\$68,321,000
		Total Liabilities	\$12,811,270,000





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	Health Care REIT Inc. Analysis – August 2015 Update \$HCN
ModernGraham posts about the	47 Companies in the Spotlight This Week – 5/16/15
company	Health Care REIT Inc. Quarterly Valuation – May 2015 \$HCN
	15 Companies in the Spotlight This Week – 5/3/2014
	Health Care REIT (HCN) Annual Valuation – 2014
Other Madama Crashama	Kimco Realty Corporation Valuation – November 2015 Update \$KIM
ModernGraham posts about related	Prologis Inc. Valuation – October 2015 Update \$PLD
companies	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
	Health Care REIT Inc. Analysis – August 2015 Update \$HCN

Kimco Realty Corporation Analysis – August 2015 Update \$KIM