

ModernGraham Valuation

Company Name:

Ventas, Inc.

Company Ticker VTR

Date of Analysis

8/31/2016



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	\$25,421,571,221	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.10	Fail
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	-0.18%	Fail
6. Moderate PEmg Ratio	PEmg < 20	39.34	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.57	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	0.10	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-9.89	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	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.85
MG Growth Estimate	3.71%
MG Value	\$29.40
MG Value based on 3% Growth	\$26.79
MG Value based on 0% Growth	\$15.70
Market Implied Growth Rate	15.42%

MG Opinion

Current Price	\$72.67
% of Intrinsic Value	247.22%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$35.85
Graham Number	\$41.70
PEmg	39.34
Current Ratio	0.10
PB Ratio	2.57
Current Dividend	\$2.92
Dividend Yield	4.02%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.72	Next Fiscal Year Estimate	\$1.85
Dec2015	\$1.25	Dec2015	\$1.42
Dec2014	\$1.60	Dec2014	\$1.50
Dec2013	\$1.54	Dec2013	\$1.48
Dec2012	\$1.23	Dec2012	\$1.48
Dec2011	\$1.58	Dec2011	\$1.65
Dec2010	\$1.56	Dec2010	\$1.69
Dec2009	\$1.74	Dec2009	\$1.71
Dec2008	\$1.59	Dec2008	\$1.66
Dec2007	\$2.25	Dec2007	\$1.68
Dec2006	\$1.25	Dec2006	\$1.40
Dec2005	\$1.36	Dec2005	\$1.41
Dec2004	\$1.43	Dec2004	\$1.24
Dec2003	\$2.03	Dec2003	\$0.98
Dec2002	\$0.93	Dec2002	\$0.42
Dec2001	\$0.73	Dec2001	\$0.29
Dec2000	-\$0.96	Dec2000	\$0.22
Dec1999	\$0.63	Balance Sheet Information 6/1/2016	
Dec1998	\$0.39	Total Current Assets	\$122,948,000
Dec1997	\$1.86	Total Current Liabilities	\$1,224,879,000
Dec1996	\$0.68	Long-Term Debt	\$10,901,131,000
		Total Assets	\$22,093,472,000
		Intangible Assets	\$2,386,388,000
		Total Liabilities	\$12,403,757,000
		Shares Outstanding (Diluted Average)	342,571,000





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.

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