

ModernGraham Valuation

Company Name:

Company Ticker SBRA
Date of Analysis

Sabra Health Care
REIT Inc

12/7/2016



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	\$1,620,294,259	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	6.28	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	92900.00%	Pass
6. Moderate PEmg Ratio	PEmg < 20	27.71	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.57	Pass

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	6.28	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.89	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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.88
MG Growth Estimate	15.00%
MG Value	\$33.78
MG Value based on 3% Growth	\$12.72
MG Value based on 0% Growth	\$7.46
Market Implied Growth Rate	9.60%

MG Opinion

Current Price	\$24.31
% of Intrinsic Value	71.97%
Opinion	Undervalued
MG Grade	B

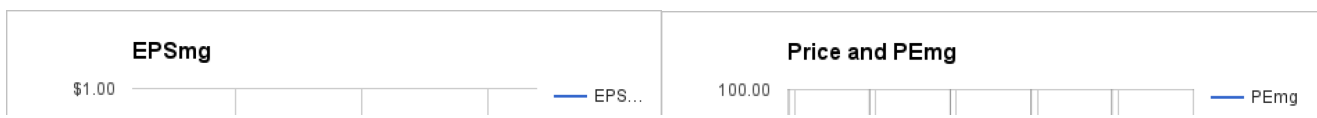
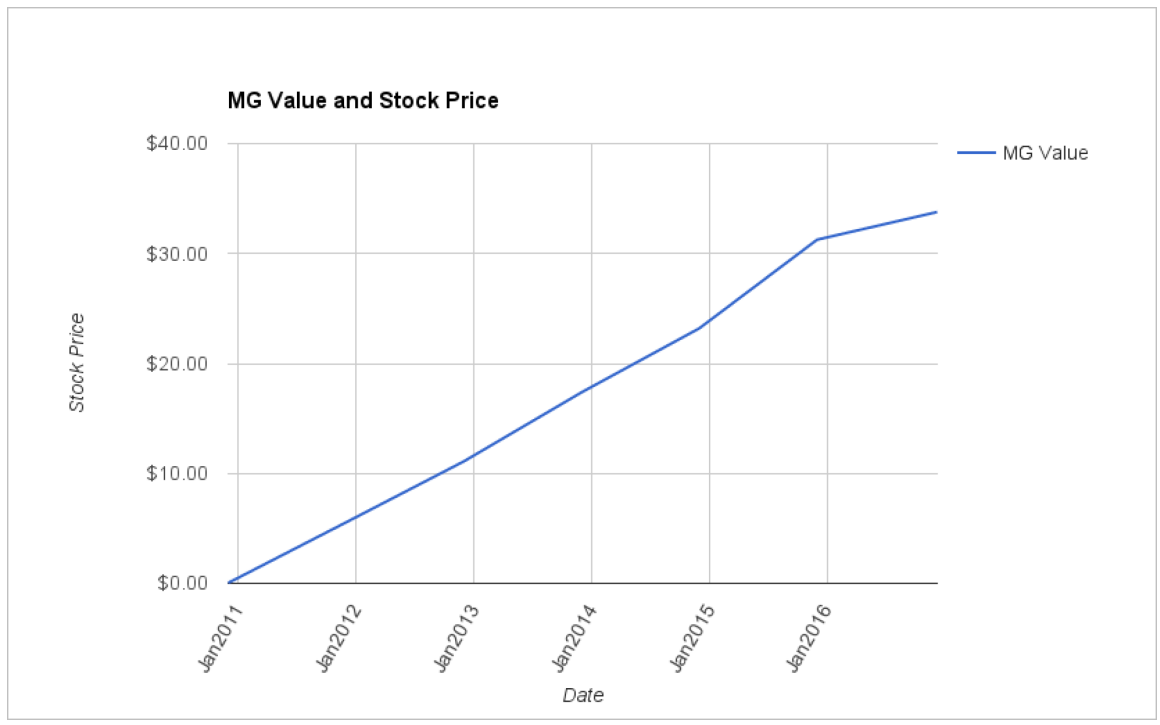
Stage 3: Information for Further Research

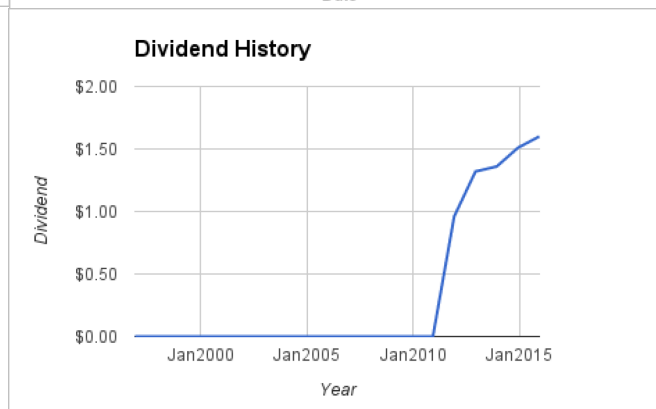
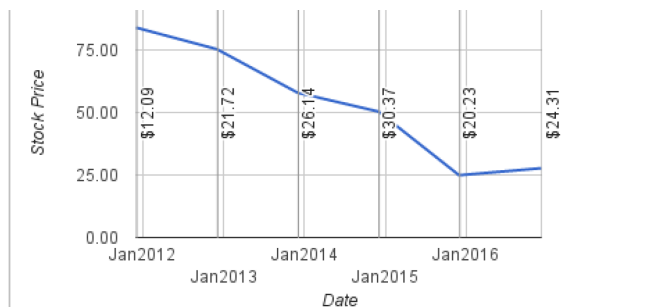
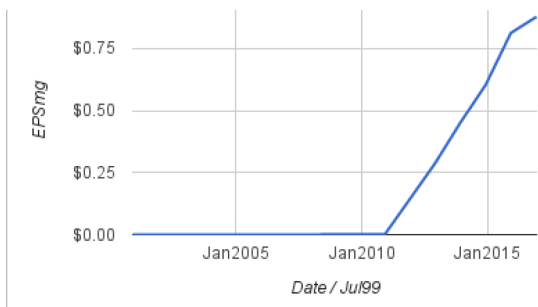
Net Current Asset Value (NCAV)	-\$15.03
Graham Number	\$17.74
PEmg	27.71
Current Ratio	6.28
PB Ratio	1.57
Current Dividend	\$1.66
Dividend Yield	6.83%
Number of Consecutive Years of Dividend Growth	6

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	\$0.90	Next Fiscal Year Estimate	\$0.88
Dec2015	\$1.11	Dec2015	\$0.81
Dec2014	\$0.78	Dec2014	\$0.60
Dec2013	\$0.68	Dec2013	\$0.45
Dec2012	\$0.52	Dec2012	\$0.29
Dec2011	\$0.43	Dec2011	\$0.14
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 9/1/2016	
Dec1998	\$0.00	Total Current Assets	\$239,643,000
Dec1997	\$0.00	Total Current Liabilities	\$38,156,000
Dec1996	\$0.00	Long-Term Debt	\$1,187,378,000
		Total Assets	\$2,239,421,000
		Intangible Assets	\$0
		Total Liabilities	\$1,225,574,000
		Shares Outstanding (Diluted Average)	65,591,000





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

#N/A

Other
ModernGraham
posts about related
companies

- [Welltower Inc Valuation – November 2016 \\$HCN](#)
- [Realty Income Corp Valuation – November 2016 \\$O](#)
- [American Campus Communities Valuation – November 2016 \\$ACC](#)
- [Ventas Inc Valuation – August 2016 \\$VTR](#)
- [SL Green Realty Corp Valuation – August 2016 \\$SLG](#)
- [Starwood Property Trust Inc Valuation – August 2016 \\$STWD](#)
- [Kimco Realty Corp Valuation – August 2016 \\$KIM](#)
- [Equity Residential Valuation – August 2016 \\$EQR](#)
- [Host Hotels and Resorts Inc Valuation – July 2016 \\$HST](#)
- [Iron Mountain Inc Valuation – July 2016 \\$IRM](#)