

ModernGraham Valuation

Company Name:

Caretrust REIT Inc

Company Ticker CTRE

Date of Analysis

3/7/2017



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	\$1,017,828,778	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.64	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	4466.67%	Pass
6. Moderate PEmg Ratio	PEmg < 20	45.80	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.92	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	0.64	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-53.24	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.34
MG Growth Estimate	15.00%
MG Value	\$13.01
MG Value based on 3% Growth	\$4.90
MG Value based on 0% Growth	\$2.87
Market Implied Growth Rate	18.65%

MG Opinion

Current Price	\$15.48
% of Intrinsic Value	118.96%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

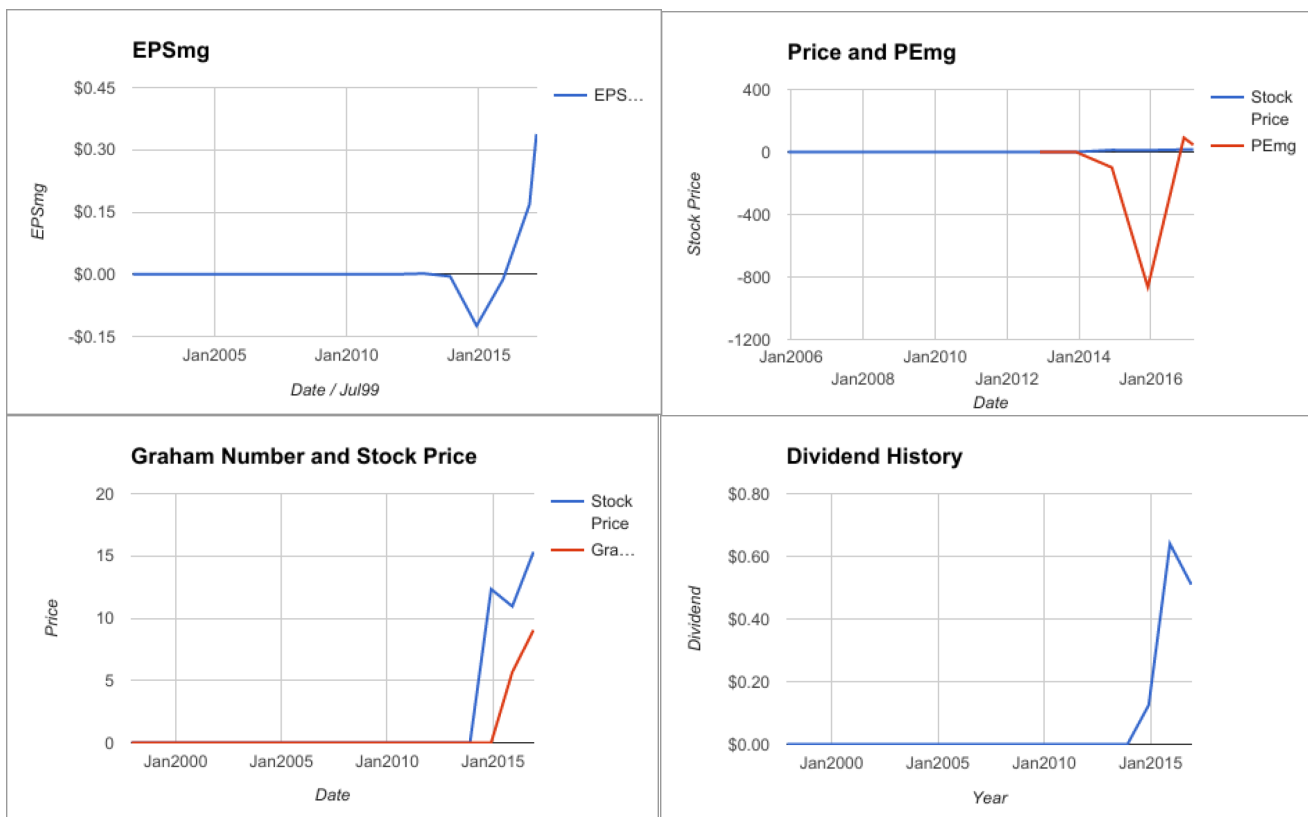
Net Current Asset Value (NCAV)	-\$8.18
Graham Number	\$9.63
PEmg	45.80
Current Ratio	0.64
PB Ratio	1.92
Current Dividend	\$0.67
Dividend Yield	4.33%
Number of Consecutive Years of Dividend Growth	1

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	\$0.59	Next Fiscal Year Estimate	\$0.34
Dec2016	\$0.52	Dec2016	\$0.17
Dec2015	\$0.26	Dec2015	-\$0.01
Dec2014	-\$0.36	Dec2014	-\$0.12
Dec2013	-\$0.02	Dec2013	-\$0.01
Dec2012	\$0.01	Dec2012	\$0.00
Dec2011	\$0.00	Dec2011	\$0.00
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	Balance Sheet Information	12/1/2016
Dec1999	\$0.00	Total Current Assets	\$14,765,000
Dec1998	\$0.00	Total Current Liabilities	\$23,212,000
Dec1997	\$0.00	Long-Term Debt	\$449,716,000
		Total Assets	\$925,358,000
		Intangible Assets	\$0
		Total Liabilities	\$472,928,000
		Shares Outstanding (Diluted Average)	56,030,000





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

- [Federal Realty Investment Trust Valuation – Initial Coverage \\$FRT](#)
- [Extra Space Storage Inc Valuation – Initial Coverage \\$EXR](#)
- [UDR Inc Valuation – Initial Coverage \\$UDR](#)
- [Digital Realty Trust Inc Valuation – Initial Coverage \\$DLR](#)
- [Mid-America Apartment Communities Inc Valuation – Initial Coverage \\$MAA](#)
- [American Tower Corp Valuation – February 2017 \\$AMT](#)
- [Chartwell Retirement Residences Valuation – Initial Coverage \\$TSE:CSH.UN](#)
- [Equity Residential Valuation – February 2017 \\$EQR](#)
- [Communications Sales & Leasing Valuation – Initial Coverage \\$CSAL](#)
- [Kite Realty Group Trust Valuation – Initial Coverage \\$KRG](#)