

ModernGraham Valuation

Company Name:

LTC Properties Inc

Company Ticker LTC

Date of Analysis

6/29/2017



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	\$2,054,652,957	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.99	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	71.24%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	24.55	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.70	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	2.99	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	7.40	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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.09
MG Growth Estimate	6.20%
MG Value	\$43.69
MG Value based on 3% Growth	\$30.32
MG Value based on 0% Growth	\$17.78
Market Implied Growth Rate	8.03%

MG Opinion

Current Price	\$51.35
% of Intrinsic Value	117.53%
Opinion	Overvalued
MG Grade	C+

Stage 3: Information for Further Research

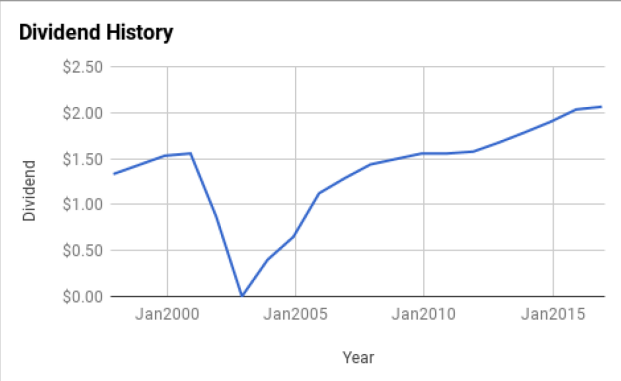
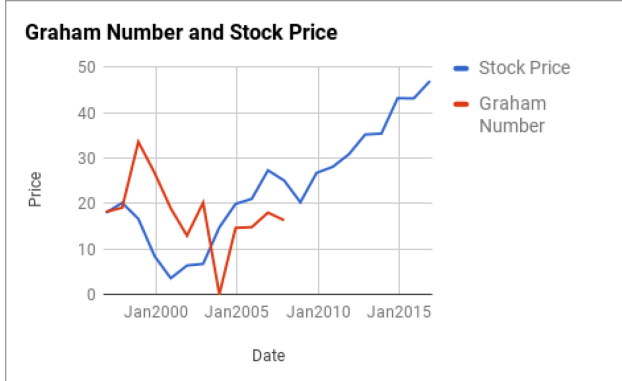
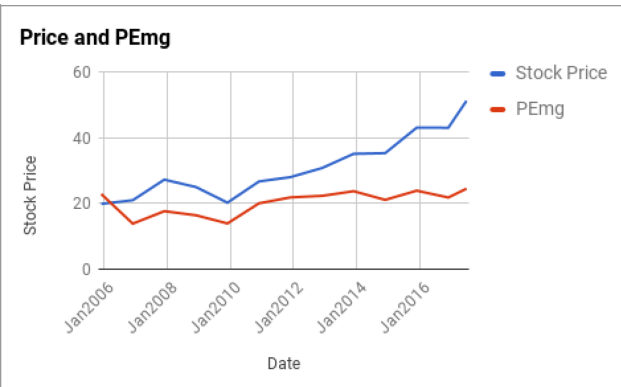
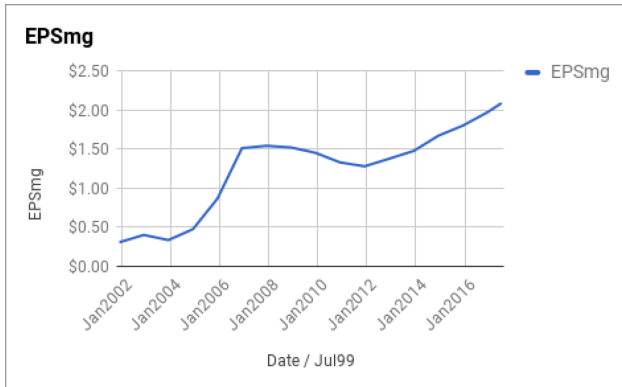
Net Current Asset Value (NCAV)	-\$13.05
Graham Number	\$30.70
PEmg	24.55
Current Ratio	2.99
PB Ratio	2.70
Current Dividend	\$2.19
Dividend Yield	4.26%
Number of Consecutive Years of Dividend Growth	7

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	\$2.22	Next Fiscal Year Estimate	\$2.09
Dec2016	\$2.21	Dec2016	\$1.97
Dec2015	\$1.94	Dec2015	\$1.80
Dec2014	\$1.99	Dec2014	\$1.67
Dec2013	\$1.63	Dec2013	\$1.48
Dec2012	\$1.57	Dec2012	\$1.38
Dec2011	\$1.36	Dec2011	\$1.28
Dec2010	\$1.21	Dec2010	\$1.33
Dec2009	\$1.27	Dec2009	\$1.45
Dec2008	\$1.24	Dec2008	\$1.52
Dec2007	\$1.31	Dec2007	\$1.54
Dec2006	\$2.51	Dec2006	\$1.52
Dec2005	\$1.56	Dec2005	\$0.87
Dec2004	\$0.77	Dec2004	\$0.48
Dec2003	\$0.36	Dec2003	\$0.34
Dec2002	\$0.91	Dec2002	\$0.40
Dec2001	-\$0.75	Dec2001	\$0.31
Dec2000	\$0.63	Balance Sheet Information	3/1/2017
Dec1999	\$0.61	Total Current Assets	\$121,391,000
Dec1998	\$1.39	Total Current Liabilities	\$40,577,000
Dec1997	\$1.25	Long-Term Debt	\$597,873,000
		Total Assets	\$1,391,590,000
		Intangible Assets	\$0
		Total Liabilities	\$638,450,000
		Shares Outstanding (Diluted Average)	39,612,000





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
- [REIT Industry Review – April 2017](#)
 - [Starwood Property Trust Inc Valuation – April 2017 \\$STWD](#)
 - [Dream Office REIT – Initial Coverage \\$TSE:D.UN](#)
 - [Liberty Property Trust Valuation – Initial Coverage \\$LPT](#)
 - [Taubman Centers Inc Valuation – Initial Coverage \\$TCO](#)
 - [Corecivic Inc Valuation – Initial Coverage \\$CXW](#)
 - [Kimco Realty Corp Valuation – March 2017 \\$KIM](#)
 - [LaSalle Hotel Properties Valuation – Initial Coverage \\$LHO](#)
 - [Cousins Properties Inc Valuation – Initial Coverage \\$CUZ](#)
 - [Cominar Real Estate Investment Trust – Initial Coverage \\$TSE:CUF.UN](#)