

ModernGraham Valuation

Company Name:

Weyerhaeuser Co

Company Ticker

WY

Date of Analysis

2/27/2018



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	\$26,615,286,938	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.47	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-7.82%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	29.04	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.01	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	1.47	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	11.33	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.21
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$17.60
MG Value based on 0% Growth	\$10.32
Market Implied Growth Rate	10.27%

MG Opinion

Current Price	\$35.26
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.82
Graham Number	\$17.84
PEmg	29.04
Current Ratio	1.47
PB Ratio	3.01
Current Dividend	\$1.25
Dividend Yield	3.55%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$1.20	Dec2017	\$1.21
Dec2016	\$0.77	Dec2016	\$1.29
Dec2015	\$1.39	Dec2015	\$1.51
Dec2014	\$0.89	Dec2014	\$1.47
Dec2013	\$3.18	Dec2013	\$1.80
Dec2012	\$0.95	Dec2012	\$1.10
Dec2011	\$0.71	Dec2011	\$0.92
Dec2010	\$0.61	Dec2010	\$0.88
Dec2009	\$3.99	Dec2009	\$0.87
Dec2008	-\$0.96	Dec2008	-\$0.45
Dec2007	-\$2.23	Dec2007	\$0.09
Dec2006	\$1.44	Dec2006	\$1.24
Dec2005	\$0.74	Dec2005	\$1.09
Dec2004	\$1.19	Dec2004	\$1.18
Dec2003	\$2.17	Dec2003	\$1.13
Dec2002	\$0.50	Dec2002	\$0.68
Dec2001	\$0.44	Dec2001	\$0.79
Dec2000	\$0.64	Balance Sheet Information	
Dec1999	\$1.49	12/1/2017	
Dec1998	\$1.02	Total Current Assets	\$1,715,000,000
	\$0.59	Total Current Liabilities	\$1,165,000,000
		Long-Term Debt	\$6,232,000,000
		Total Assets	\$18,059,000,000
		Intangible Assets	\$40,000,000
		Total Liabilities	\$9,160,000,000
		Shares Outstanding (Diluted Average)	758,490,000





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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