

ModernGraham Valuation

Company Name:

Starwood Property
Trust, Inc.

Company Ticker STWD

Date of Analysis

3/12/2018



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$5,533,172,894	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	110.16%	Pass
4. Earnings Growth	PEmg < 20	11.61	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.24	Pass
6. Moderate Price to Assets			

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior	Pass
2. Dividend Record	Currently Pays Dividend	Pass
3. Earnings Growth	EPSmg greater than 5 years ago	Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	1.83
MG Growth Estimate	-0.15%
MG Value	\$14.99
MG Value based on 3% Growth	\$26.48
MG Value based on 0% Growth	\$15.52
Market Implied Growth Rate	1.56%

MG Opinion

Current Price	\$21.20
% of Intrinsic Value	141.46%
Opinion	Overvalued
MG Grade	C

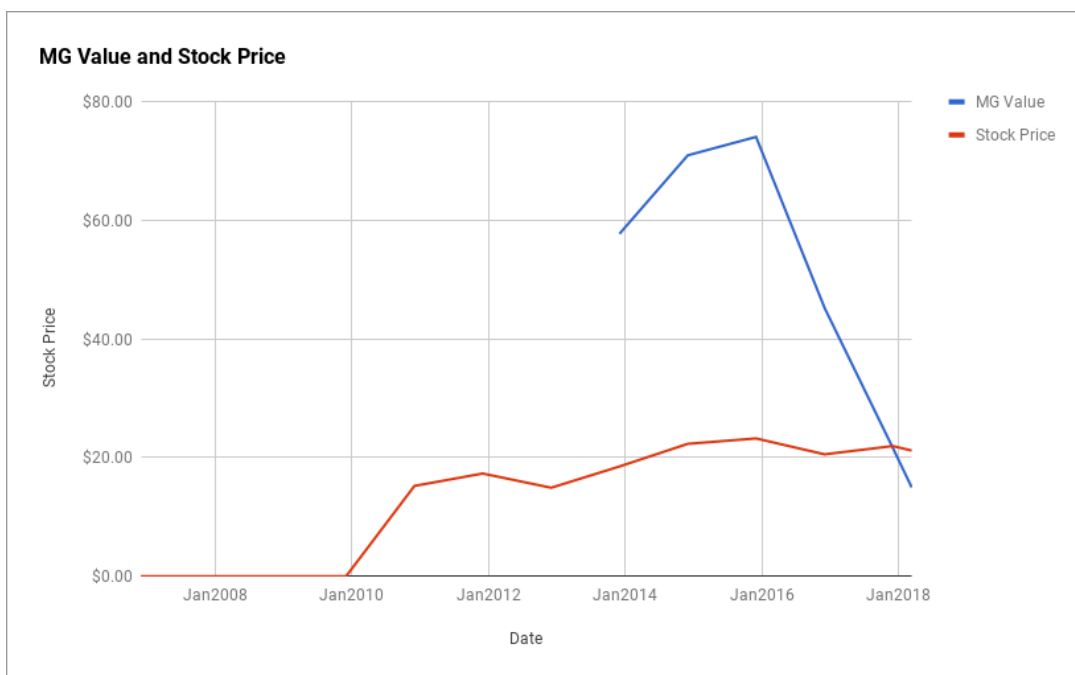
Stage 3: Information for Further Research

Graham Number	\$28.75
PEmg	11.61
PB Ratio	1.24
Dividend Yield	9.06%
Number of Consecutive Years of Dividend Growth	0

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	\$2.15	Next Fiscal Year Estimate	\$1.83
Dec2017	\$1.52	Dec2017	\$1.71
Dec2016	\$1.50	Dec2016	\$1.82
Dec2015	\$1.91	Dec2015	\$1.92
Dec2014	\$2.24	Dec2014	\$1.84
Dec2013	\$1.82	Dec2013	\$1.50
Dec2012	\$1.76	Dec2012	\$1.17
Dec2011	\$1.38	Dec2011	\$0.75
Dec2010	\$1.14	Dec2010	\$0.36
Dec2009	-\$0.06	Dec2009	-\$0.02
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	Balance Sheet Information 12/1/2017	
Dec2000	\$0.00	Long-Term Debt & Capital Lease Obligation	\$2,125,235,000
Dec1999	\$0.00	Total Assets	\$62,941,289,000
Dec1998	\$0.00	Intangible Assets	\$323,529,000
		Total Liabilities	\$58,462,875,000
		Shares Outstanding (Diluted Average)	262,151,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author held a long position in STWD 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

[Best Stocks Below Their Graham Number – August 2017](#)
[Starwood Property Trust Inc Valuation – April 2017 \\$STWD](#)
[10 Low PE Stock Picks for the Enterprising Investor – April 2017](#)
[10 Stocks for Using A Benjamin Graham Value Investing Strategy – March 2017](#)
[10 Best Dividend Paying Stocks for the Enterprising Investor – February 2017](#)

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posts about related
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[Welltower Inc Valuation – March 2018 \\$WELL](#)
[Boston Properties Inc Valuation – March 2018 \\$BXP](#)
[AvalonBay Communities Inc Valuation – February 2018 \\$AVB](#)
[Weyerhaeuser Co Valuation – February 2018 \\$WY](#)
[Alexandria Real Estate Equities Inc Valuation – February 2018 \\$ARE](#)
[Education Realty Trust Inc Valuation – Initial Coverage \\$EDR](#)
[American Campus Communities Inc Valuation – September 2017 \\$ACC](#)
[First Industrial Realty Trust Inc Valuation – Initial Coverage \\$FR](#)
[Saul Centers Inc Valuation – Initial Coverage \\$BFS](#)