

ModernGraham Valuation

Company Name:

Welltower Inc

Company Ticker WELL

Date of Analysis

3/6/2018



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	\$19,577,058,560	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.38	Fail
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	64.91%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	30.73	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.36	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	1.38	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	33.54	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.72
MG Growth Estimate	12.76%
MG Value	\$58.52
MG Value based on 3% Growth	\$24.94
MG Value based on 0% Growth	\$14.62
Market Implied Growth Rate	11.12%

MG Opinion

Current Price	\$52.86
% of Intrinsic Value	90.33%
Opinion	Fairly Valued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$32.93
Graham Number	\$32.07
PEmg	30.73
Current Ratio	1.38
PB Ratio	1.36
Current Dividend	\$3.48
Dividend Yield	6.58%
Number of Consecutive Years of Dividend Growth	10

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		Next Fiscal Year Estimate	
Dec2017	\$1.24	Dec2017	\$1.72
Dec2016	\$1.26	Dec2016	\$1.85
Dec2015	\$2.81	Dec2015	\$1.95
Dec2014	\$2.34	Dec2014	\$1.41
Dec2013	\$1.45	Dec2013	\$0.93
Dec2012	\$0.28	Dec2012	\$0.74
Dec2011	\$0.98	Dec2011	\$1.12
Dec2010	\$0.90	Dec2010	\$1.28
Dec2009	\$0.83	Dec2009	\$1.50
Dec2008	\$1.49	Dec2008	\$1.77
Dec2007	\$2.76	Dec2007	\$1.81
Dec2006	\$1.43	Dec2006	\$1.35
Dec2005	\$1.31	Dec2005	\$1.33
Dec2004	\$1.15	Dec2004	\$1.37
Dec2003	\$1.39	Dec2003	\$1.52
Dec2002	\$1.60	Dec2002	\$1.63
Dec2001	\$1.48	Dec2001	\$1.72
Dec2000	\$1.52	Balance Sheet Information 12/1/2017	
Dec1999	\$1.91	Total Current Assets	\$1,259,462,000
Dec1998	\$2.21	Total Current Liabilities	\$911,863,000
	\$2.24	Long-Term Debt	\$11,659,698,000
		Total Assets	\$27,944,445,000
		Intangible Assets	\$68,321,000
		Total Liabilities	\$13,521,298,000
		Shares Outstanding (Diluted Average)	372,322,000





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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[Education Realty Trust Inc Valuation – Initial Coverage \\$EDR](#)
[American Campus Communities Inc Valuation – September 2017 \\$ACC](#)
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