

ModernGraham Valuation

Company Name:

Company Ticker SBRA

Date of Analysis

Sabra Health Care
REIT Inc

7/23/2018



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	\$3,971,824,677	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.31	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. 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	744.19%	Pass
5. Earnings Growth	PEmg < 20	18.31	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.14	Pass
7. Moderate Price to Assets			

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	1.31	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	54.52	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	\$1.19
MG Growth Estimate	14.72%
MG Value	\$45.30
MG Value based on 3% Growth	\$17.31
MG Value based on 0% Growth	\$10.15
Market Implied Growth Rate	4.90%

MG Opinion

Current Price	\$21.86
% of Intrinsic Value	48.26%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

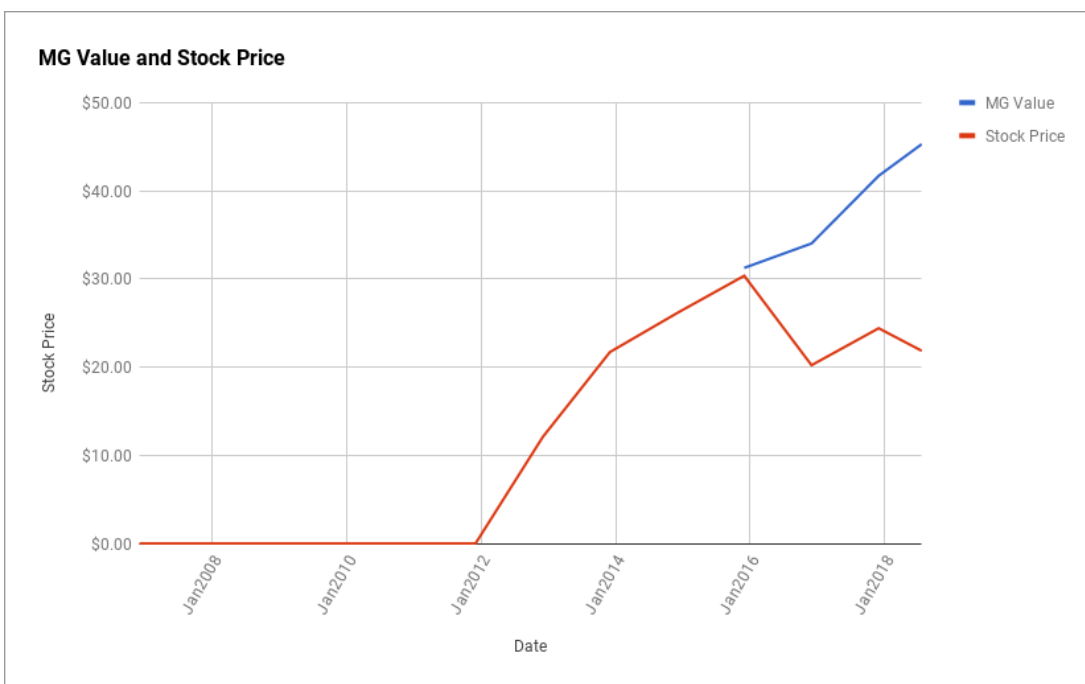
Net Current Asset Value (NCAV)	-\$18.48
Graham Number	\$23.82
PEmg	18.31
Current Ratio	1.31
PB Ratio	1.14
Current Dividend	\$1.73
Dividend Yield	7.91%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.31	Next Fiscal Year Estimate	\$1.19
Dec2017	\$1.40	Dec2017	\$1.08
Dec2016	\$0.92	Dec2016	\$0.88
Dec2015	\$1.11	Dec2015	\$0.81
Dec2014	\$0.78	Dec2014	\$0.60
Dec2013	\$0.68	Dec2013	\$0.45
Dec2012	\$0.52	Dec2012	\$0.29
Dec2011	\$0.43	Dec2011	\$0.14
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	Balance Sheet Information 3/1/2018	
Dec2000	\$0.00	Total Current Assets	\$258,550,000
Dec1999	\$0.00	Total Current Liabilities	\$196,897,000
Dec1998	\$0.00	Long-Term Debt	\$3,361,106,000
		Total Assets	\$6,984,569,000
		Intangible Assets	\$161,423,000
		Total Liabilities	\$3,558,003,000
		Shares Outstanding (Diluted Average)	178,516,000





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

- [10 Best Dividend Paying Stocks for the Enterprising Investor – January 2017](#)
- [10 Best Dividend Paying Stocks for the Enterprising Investor – December 2016](#)
- [8 Best Stocks for Value Investors of the Week – 12/10/16](#)
- [10 Stocks for Using A Benjamin Graham Value Investing Strategy – December 2016](#)
- [Sabra Health Care REIT Inc Valuation – Initial Coverage \\$SBRA](#)

Other ModernGraham posts about related companies

- [National Retail Properties Inc Valuation – July 2018 \\$NNN](#)
- [Equinix Inc Valuation – June 2018 \\$EQIX](#)
- [Kimco Realty Corp Valuation – June 2018 \\$KIM](#)
- [Essex Property Trust Inc Valuation – June 2018 \\$ESS](#)
- [Federal Realty Investment Trust Valuation – June 2018 \\$FRT](#)
- [UDR Inc Valuation – June 2018 \\$UDR](#)
- [Mid-America Apartment Communities Inc Valuation – June 2018 \\$MAA](#)
- [Extra Space Storage Inc Valuation – June 2018 \\$EXR](#)
- [Digital Realty Trust Inc Valuation – June 2018 \\$DLR](#)
- [Equity Residential Valuation – June 2018 \\$EQR](#)