ModernGraham Valuation

Company Name: Weyerhaeuser Co

Company Ticker WY

Date of Analysis 12/18/2018

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	$17,763,531,314	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.35	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-7.82%	Fail
6. Moderate PEmg Ratio	PEmg < 20	19.53	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.98	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	1.35	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	13.43	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		5.52%

MG Opinion

Current Price		$23.71
% of Intrinsic Value	N/A	
Opinion	**Overvalued**	
MG Grade	**D+**	

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$8.79
Graham Number	$17.84
PEmg	19.53
Current Ratio	1.35
PB Ratio	1.98
Current Dividend	$1.25
Dividend Yield	5.27%
Number of Consecutive Years of Dividend Growth	7

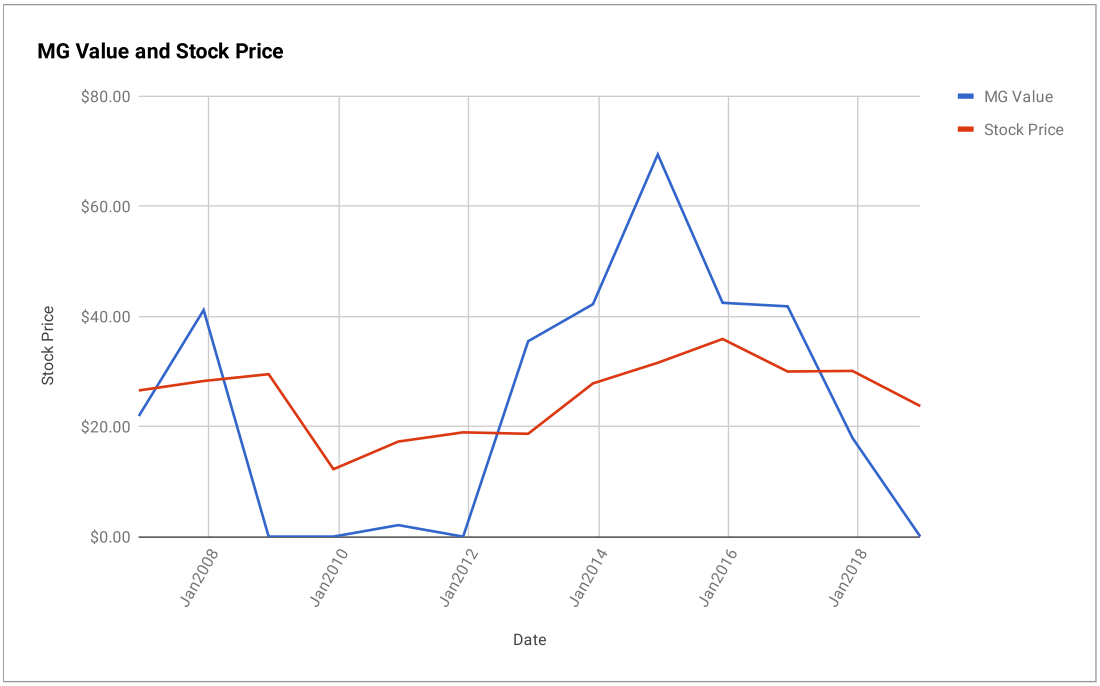
Useful Links:

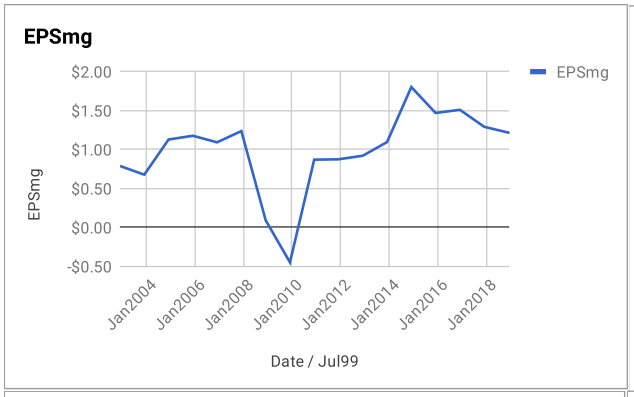
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

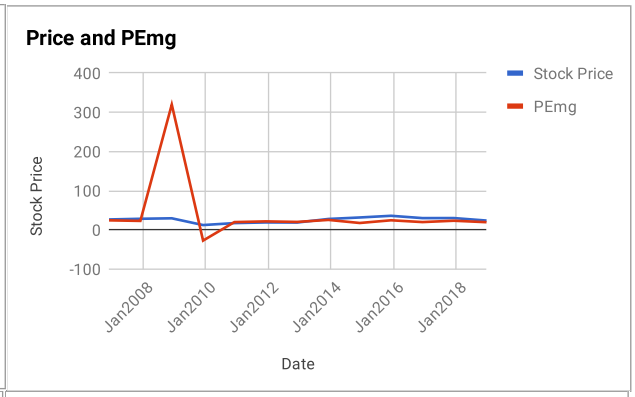
EPS History	
Next Fiscal Year Estimate	$1.20
Dec2017	$0.77
Dec2016	$1.39
Dec2015	$0.89
Dec2014	$3.18
Dec2013	$0.95
Dec2012	$0.71
Dec2011	$0.61
Dec2010	$3.99
Dec2009	-$0.96
Dec2008	-$2.23
Dec2007	$1.44
Dec2006	$0.74
Dec2005	$1.19
Dec2004	$2.17
Dec2003	$0.50
Dec2002	$0.44
Dec2001	$0.64
Dec2000	$1.49
Dec1999	$1.02
Dec1998	$0.59

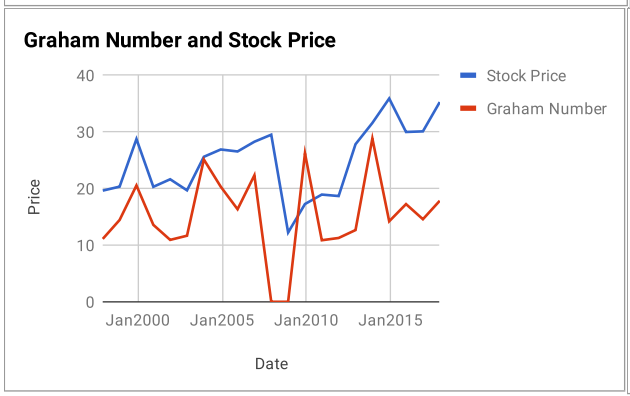
EPSmg History	
Next Fiscal Year Estimate	$1.21
Dec2017	$1.29
Dec2016	$1.51
Dec2015	$1.47
Dec2014	$1.80
Dec2013	$1.10
Dec2012	$0.92
Dec2011	$0.88
Dec2010	$0.87
Dec2009	-$0.45
Dec2008	$0.09
Dec2007	$1.24
Dec2006	$1.09
Dec2005	$1.18
Dec2004	$1.13
Dec2003	$0.68
Dec2002	$0.79

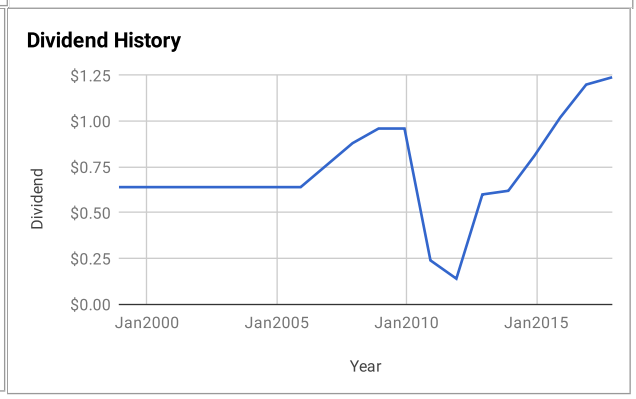
Balance Sheet Information	9/1/2018
Total Current Assets	$1,714,000,000
Total Current Liabilities	$1,273,000,000
Long-Term Debt	$5,921,000,000
Total Assets	$17,427,000,000
Intangible Assets	$40,000,000
Total Liabilities	$8,370,000,000
Shares Outstanding (Diluted Average)	757,389,000











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

Weyerhauser Co Valuation – February 2018 $WY
Weyerhaeuser Company Valuation – May 2016 $WY
10 Companies Benjamin Graham Would Invest In Today – March 2016
10 Undervalued Companies for Enterprising Dividend Investors – November 2015
11 Best Stocks For Value Investors This Week – 11/21/15

Other ModernGraham posts about related companies

Alexandria Real Estate Equities Inc Valuation – November 2018 $ARE
LaSalle Hotel Properties Valuation – September 2018 $LHO
Cousins Properties Inc Valuation – September 2018 $CUZ
Cominar Real Estate Investment Trust Valuation – September 2018 $TSE:CUF.UN
CareTrust REIT Inc Valuation – August 2018 $CTRE
Lamar Advertising Co Valuation – August 2018 $LAMR
Uniti Group Inc Valuation – August 2018 $UNIT
Kite Realty Group Trust Valuation – August 2018 $KRG
Kilroy Realty Corp Valuation – August 2018 $KRC
Crombie Real Estate Investment Trust Valuation – August 2018 $TSE-CRR.UN