

ModernGraham Valuation

Company Name:

CI Financial Corp

Company Ticker TSE:CIX

Date of Analysis

1/3/2017



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	\$7,669,530,169	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.09	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	12.26%	Fail
6. Moderate PEmg Ratio	PEmg < 20	17.55	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.38	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	1.09	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	15.61	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		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.65
MG Growth Estimate	5.45%
MG Value	\$31.93
MG Value based on 3% Growth	\$23.86
MG Value based on 0% Growth	\$13.99
Market Implied Growth Rate	4.52%

MG Opinion

Current Price	\$28.87
% of Intrinsic Value	90.42%
Opinion	Fairly Valued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.86
Graham Number	\$14.48
PEmg	17.55
Current Ratio	1.09
PB Ratio	4.38
Current Dividend	\$1.35
Dividend Yield	4.66%
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		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2015	\$1.40	Dec2015	\$1.65
Dec2014	\$1.98	Dec2014	\$1.70
Dec2013	\$1.84	Dec2013	\$1.51
Dec2012	\$1.50	Dec2012	\$1.30
Dec2011	\$1.24	Dec2011	\$1.21
Dec2010	\$1.31	Dec2010	\$1.27
Dec2009	\$1.13	Dec2009	\$1.29
Dec2008	\$0.83	Dec2008	\$1.36
Dec2007	\$1.61	Dec2007	\$1.53
May2006	\$2.21	Dec2006	\$1.35
May2005	\$1.08	May2006	\$0.80
May2004	\$0.97	May2005	\$0.56
May2003	\$0.82	May2004	\$0.29
May2002	\$0.31	May2003	\$0.02
May2001	-\$0.35	May2002	-\$0.09
May2000	\$0.06	May2001	\$0.04
May1999	-\$0.01	May2000	\$0.03
May1998	\$0.06	Balance Sheet Information 9/1/2016	
May1997	\$0.07	Total Current Assets	\$510,982,000
Dec1996	\$0.00	Total Current Liabilities	\$467,708,000
		Long-Term Debt	\$675,723,000
		Total Assets	\$3,337,059,000
		Intangible Assets	\$2,296,347,000
		Total Liabilities	\$1,554,350,000
		Shares Outstanding (Diluted Average)	270,178,000





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

#N/A

Other
ModernGraham
posts about related
companies

[Stifel Financial Corp Valuation – Initial Coverage \\$SF](#)
[SEI Investments Company Valuation – Initial Coverage \\$SEIC](#)
[INTL Fcstone Inc Valuation – Initial Coverage \\$INTL](#)
[SLM Corp Valuation – December 2016 \\$SLM](#)
[The Western Union Company Valuation – December 2016 \\$WU](#)
[IGM Financial Inc Valuation – Initial Coverage \\$IGM](#)
[Main Street Capital Corporation Valuation – September 2016 \\$MAIN](#)
[Navient Corp Valuation – August 2016 \\$NAVI](#)
[T Rowe Price Group Inc Valuation – August 2016 \\$TROW](#)
[Moody's Corporation Valuation – August 2016 \\$MCO](#)