

# ModernGraham Valuation

Company Name:

Capital Power Corp

Company Ticker TSE:CPX

Date of Analysis

2/11/2017



## 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	\$2,444,199,952	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.91	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	146.07%	Pass
5. Earnings Growth	PEmg < 20	25.94	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.92	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	0.91	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-35.57	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
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.98
MG Growth Estimate	0.29%
<b>MG Value</b>	<b>\$8.90</b>
MG Value based on 3% Growth	\$14.20
MG Value based on 0% Growth	\$8.32
Market Implied Growth Rate	8.72%

### MG Opinion

Current Price	\$25.40
% of Intrinsic Value	285.55%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

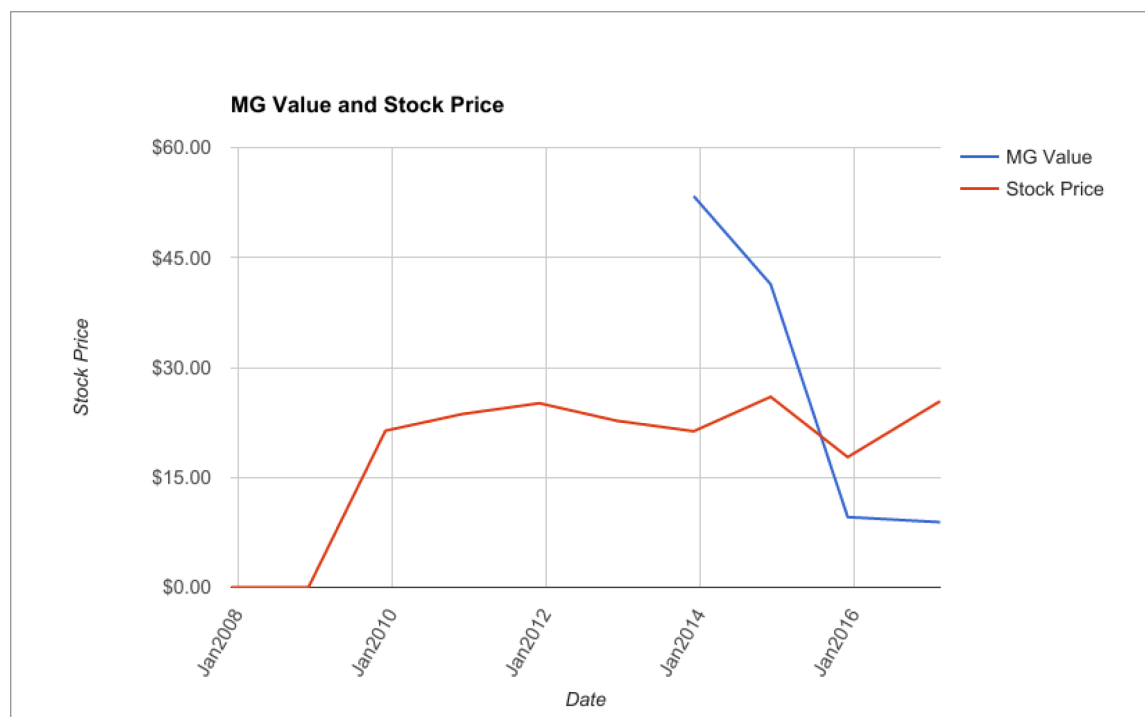
## Stage 3: Information for Further Research

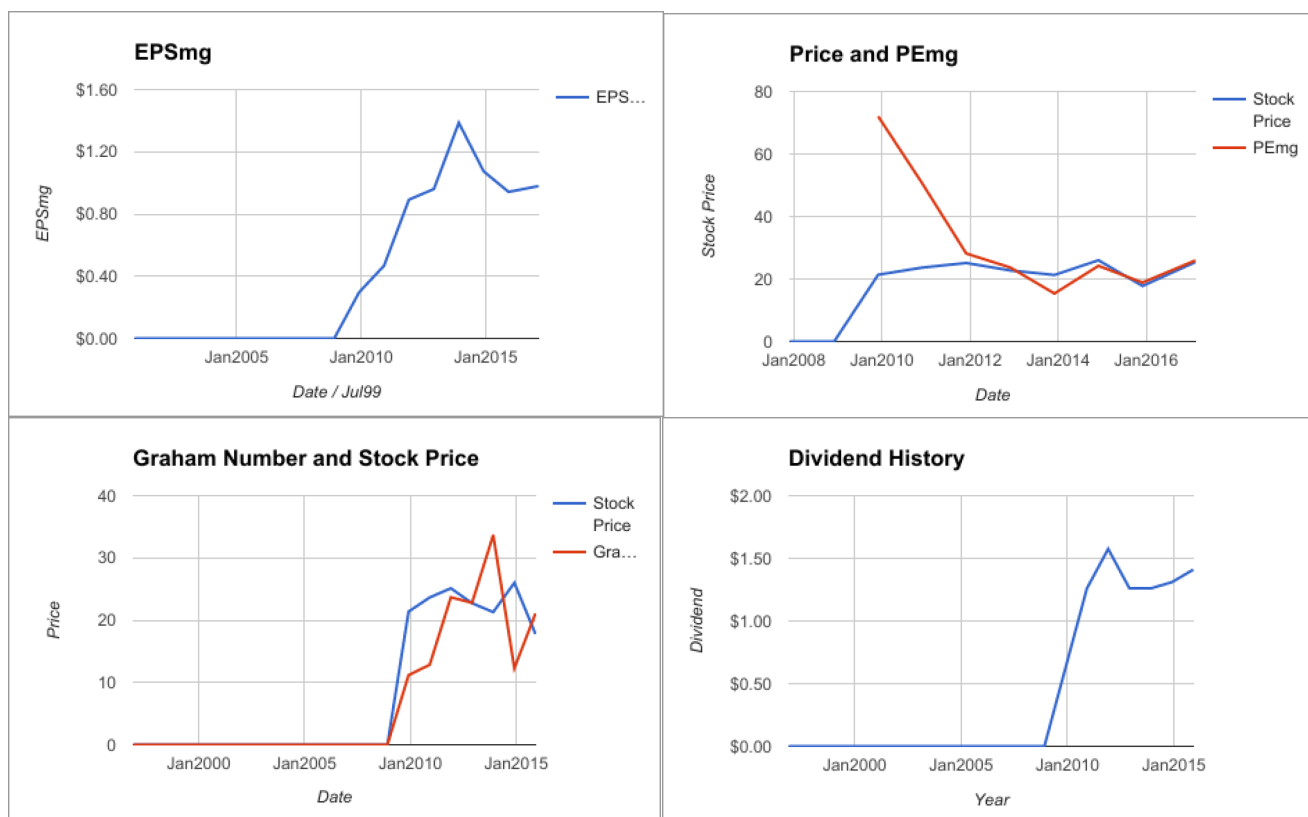
Net Current Asset Value (NCAV)	-\$22.70
Graham Number	\$27.42
PEmg	25.94
Current Ratio	0.91
PB Ratio	0.92
Current Dividend	\$1.49
Dividend Yield	5.85%
Number of Consecutive Years of Dividend Growth	3

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$1.21		\$0.98
Dec2015	\$0.70	Dec2015	\$0.94
Dec2014	\$0.28	Dec2014	\$1.07
Dec2013	\$2.08	Dec2013	\$1.39
Dec2012	\$0.84	Dec2012	\$0.96
Dec2011	\$1.59	Dec2011	\$0.89
Dec2010	\$0.69	Dec2010	\$0.47
Dec2009	\$0.89	Dec2009	\$0.30
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	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$376,000,000
Dec1997	\$0.00	Total Current Liabilities	\$413,000,000
Dec1996	\$0.00	Long-Term Debt	\$1,316,000,000
		Total Assets	\$5,219,000,000
		Intangible Assets	\$320,000,000
		Total Liabilities	\$2,561,000,000
		Shares Outstanding (Diluted Average)	96,262,000





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

[Energy Company of Minas Valuation – Initial Coverage \\$CIG](#)  
[NextEra Energy Inc Valuation – December 2016 \\$NEE](#)  
[Westar Energy Inc Valuation – August 2016 \\$WR](#)  
[Eversource Energy Valuation – August 2016 \\$ES](#)  
[Public Service Enterprise Group Inc Valuation – August 2016 \\$PEG](#)  
[NiSource Inc Valuation – August 2016 \\$NI](#)  
[Consolidated Edison Inc Valuation – August 2016 \\$ED](#)  
[Ameren Corp Valuation – August 2016 \\$AEE](#)  
[PG&E Corp Valuation – July 2016 \\$PCG](#)  
[SCANA Corporation Valuation – July 2016 \\$SCG](#)