

ModernGraham Valuation

Company Name:

Company Ticker TSE:CRR.UN

Date of Analysis

2/21/2017

Crombie Real Estate
Investment Trust



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	\$1,212,458,429	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.24	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-125.35%	Fail
5. Earnings Growth	PEmg < 20	-105.91	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.47	Fail
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	0.24	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-17.01	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
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	-\$0.13
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$1.88
MG Value based on 0% Growth	-\$1.10
Market Implied Growth Rate	-57.20%

MG Opinion

Current Price	\$13.74
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$17.03
Graham Number	\$8.59
PEmg	-105.91
Current Ratio	0.24
PB Ratio	1.47
Current Dividend	\$0.89
Dividend Yield	6.49%
Number of Consecutive Years of Dividend Growth	1

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	\$0.35	Next Fiscal Year Estimate	-\$0.13
Dec2015	-\$0.39	Dec2015	-\$0.38
Dec2014	-\$0.32	Dec2014	-\$0.32
Dec2013	-\$0.39	Dec2013	-\$0.24
Dec2012	-\$0.41	Dec2012	-\$0.08
Dec2011	-\$0.43	Dec2011	\$0.16
Dec2010	\$0.44	Dec2010	\$0.45
Dec2009	\$0.36	Dec2009	\$0.43
Dec2008	\$0.57	Dec2008	\$0.41
Dec2007	\$0.49	Dec2007	\$0.28
Dec2006	\$0.44	Dec2006	\$0.15
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	Balance Sheet Information 9/1/2016	
Dec1998	\$0.00	Total Current Assets	\$42,642,000
Dec1997	\$0.00	Total Current Liabilities	\$177,364,000
Dec1996	\$0.00	Long-Term Debt	\$2,292,043,000
		Total Assets	\$3,947,421,000
		Intangible Assets	\$58,552,000
		Total Liabilities	\$2,562,349,000
		Shares Outstanding (Diluted Average)	147,946,000





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

[Smart REIT Valuation – Initial Coverage \\$TSE:SRU.UN](#)
[Prologis Inc Valuation – February 2017 \\$PLD](#)
[Camden Property Trust Valuation – Initial Coverage \\$CPT](#)
[CoreSite Realty Corp Valuation – Initial Coverage \\$COR](#)
[Senior Housing Properties Trust Valuation – Initial Coverage \\$SNH](#)
[Tanger Factory Outlet Centers Inc Valuation – Initial Coverage \\$SKT](#)
[Mack Cali Realty Corp Valuation – Initial Coverage \\$CLI](#)
[Chesapeake Lodging Trust Valuation – December 2016 \\$CHSP](#)
[Summit Hotel Properties Inc Valuation – Initial Coverage \\$INN](#)
[Sabra Health Care REIT Inc Valuation – Initial Coverage \\$SBRA](#)