ModernGraham Valuation

Company Name:

Crombie Real Estate Investment Trust



Company Ticker
Date of Analysis

TSE:CRR.UN 2/21/2017

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.

 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
6. Moderate PEmg Ratio PEmg < 20 -105.91 Fail
7. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 1.47 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	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
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
ı	MG Growth Estimate	-4.25%
ı	MG Value	\$0.00
ı	MG Value based on 3% Growth	-\$1.88
ı	MG Value based on 0% Growth	-\$1.10
ı	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

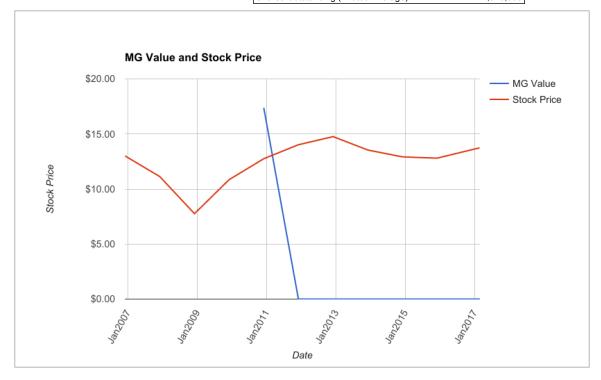
Net Current Asset Value (NCAV)	-\$17.03
Graham Number	\$8.59
PEmg	-105.91
Current Ratio	0.24
PB Ratio	1.47
Current Dividend	\$0.89
Dividend Yield	6.49%
Number of Consecutive Years of Dividend	
Growth	1

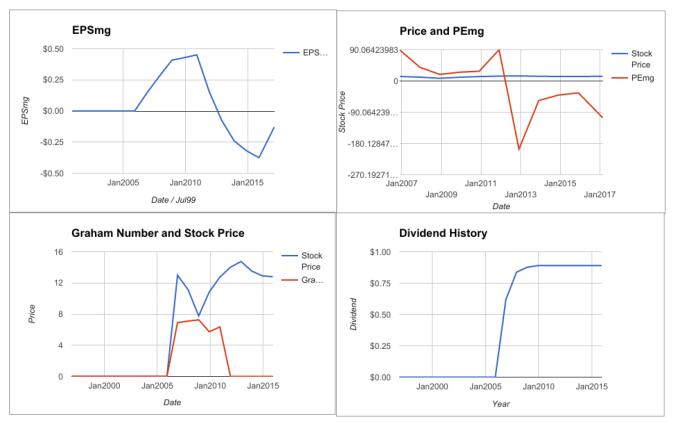
Useful Links: ModernGraham tagged articles

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Morningstar

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

<u>Camden Property Trust Valuation – Initial Coverage \$CPT</u>

<u>CoreSite Realty Corp Valuation – Initial Coverage \$COR</u>

Senior Housing Properties Trust Valuation – Initial Coverage \$SNH

<u>Tanger Factory Outlet Centers Inc Valuation – Initial Coverage \$SKT</u>

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