

# ModernGraham Valuation

Company Name:

Smart REIT

Company Ticker TSE:SRU.UN

Date of Analysis

2/14/2017



## 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	\$4,284,083,448	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.36	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	257.17%	Pass
5. Earnings Growth	PEmg < 20	14.91	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.34	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	0.36	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-12.35	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

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.20
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$31.84
MG Value based on 0% Growth	\$18.66
Market Implied Growth Rate	3.20%

### MG Opinion

Current Price	\$32.73
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$30.54
Graham Number	\$33.18
PEmg	14.91
Current Ratio	0.36
PB Ratio	1.34
Current Dividend	\$1.65
Dividend Yield	5.05%
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	\$2.01	Next Fiscal Year Estimate	\$2.20
Dec2015	\$1.75	Dec2015	\$2.44
Dec2014	\$1.67	Dec2014	\$2.96
Dec2013	\$2.04	Dec2013	\$3.42
Dec2012	\$6.81	Dec2012	\$3.68
Dec2011	\$1.43	Dec2011	\$1.91
Dec2010	\$4.65	Dec2010	\$1.87
Dec2009	\$0.24	Dec2009	\$0.47
Dec2008	\$0.95	Dec2008	\$0.56
Dec2007	\$0.33	Dec2007	\$0.44
Dec2006	\$0.26	Dec2006	\$0.56
Dec2005	\$0.55	Dec2005	\$0.71
Dec2004	\$0.51	Dec2004	\$0.73
Dec2003	\$1.29	Dec2003	\$0.74
Mar2002	\$0.86	Mar2002	\$0.41
Mar2001	\$0.23	Mar2001	\$0.17
Mar2000	\$0.18	Mar2000	\$0.12
Mar1999	\$0.23	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$163,554,000
Dec1997	\$0.00	Total Current Liabilities	\$451,775,000
Dec1996	\$0.00	Long-Term Debt	\$3,559,045,000
		Total Assets	\$8,647,605,000
		Intangible Assets	\$52,128,000
		Total Liabilities	\$4,885,050,000
		Shares Outstanding (Diluted Average)	154,615,000

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

[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 \\$CL](#)  
[Chesapeake Lodging Trust Valuation – December 2016 \\$CHSP](#)  
[Summit Hotel Properties Inc Valuation – Initial Coverage \\$INN](#)  
[Sabra Health Care REIT Inc Valuation – Initial Coverage \\$SBRA](#)  
[National Retail Properties Inc Valuation – November 2016 \\$NNN](#)