# **ModernGraham Valuation**

# **Company Name:**

# Canadian Utilities Limited



Company Ticker Date of Analysis

3/9/2017

#### 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.

TSE:CU

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$10,080,705,198 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.10 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
5. Earnings Growth beginning and end 6.56% Fail
6. Moderate PEmg Ratio PEmg < 20 18.87 Pass
7. Moderate Price to Assets PB Ratio < 2.5 OR PB\*PEmg < 50 1.63 Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.10 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	87.62 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Score

Suitability

Defensive No Enterprising No

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$2.00
MG Growth Estimate	0.51%
MG Value	\$19.05
MG Value based on 3% Growth	\$29.05
MG Value based on 0% Growth	\$17.03
Market Implied Growth Rate	5.19%

MG Opinion

Current Price \$37.81
% of Intrinsic Value 198.43%

Opinion Overvalued MG Grade D+

#### Stage 3: Information for Further Research

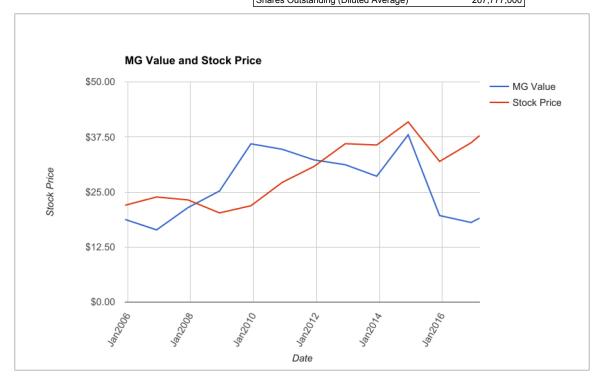
Net Current Asset Value (NCAV)	-\$43.24
Graham Number	\$30.05
PEmg	18.87
Current Ratio	1.10
PB Ratio	1.63
Current Dividend	\$1.30
Dividend Yield	3.44%
Number of Consecutive Years of Dividend Growth	10

Morningstar

Useful Links: ModernGraham tagged articles

Google FinanceMSN MoneyYahoo FinanceSeeking AlphaGuruFocusSEC Filings

EPS History		EPSmg History	
Next Fiscal Year	** **		
Estimate	•	Next Fiscal Year Estimate	\$2.00
Dec2016	\$2.06	Dec2016	\$1.90
Dec2015	\$1.11	Dec2015	\$1.85
Dec2014	\$2.52	Dec2014	\$2.15
Dec2013	\$2.09	Dec2013	\$1.94
Dec2012	\$2.02	Dec2012	\$1.84
Dec2011	\$1.83	Dec2011	\$1.73
Dec2010	\$1.61	Dec2010	\$1.65
Dec2009	\$1.86	Dec2009	\$1.60
Dec2008	\$1.65	Dec2008	\$1.43
Dec2007	\$1.54	Dec2007	\$1.29
Dec2006	\$1.28	Dec2006	\$1.16
Dec2005	\$1.04	Dec2005	\$1.10
Dec2004	\$1.22	Dec2004	\$1.10
Dec2003	\$1.02	Dec2003	\$1.02
Dec2002	\$1.20	Dec2002	\$0.98
Dec2001	\$0.93	Dec2001	\$0.85
Dec2000	\$0.90	Balance Sheet Information	12/1/2016
Dec1999	\$0.78	Total Current Assets	\$985,000,000
Dec1998	\$0.75	Total Current Liabilities	\$892,000,000
Dec1997	\$0.71	Long-Term Debt	\$8,149,000,000
		Total Assets	\$18,781,000,000
		Intangible Assets	\$526,000,000
		Total Liabilities	\$12,563,000,000
		Shares Outstanding (Diluted Average)	267,777,000





#### 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 American Electric Power Company Inc Valuation – March 2017 \$AEP

American Water Works Company Inc Valuation - Initial Coverage \$AWK

Alliant Energy Corp Valuation - Initial Coverage \$LNT

Consolidated Edison Inc Valuation - February 2017 \$ED

<u>Duke Energy Corp Valuation – February 2017 \$DUK</u>

Spire Inc Valuation - Initial Coverage \$SR

Ameren Corp Valuation - February 2017 \$AEE

Sempra Energy Valuation - February 2017 \$SRE

Capital Power Corp Valuation - Initial Coverage \$TSE:CPX

<u>Superior Plus Corp Valuation – Initial Coverage \$TSE:SPB</u>