

ModernGraham Valuation

Company Name:

Centerra Gold Inc.

Company Ticker TSE:CG

Date of Analysis

7/23/2018



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	\$1,717,618,004	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.98	Pass
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	-21.19%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	14.12	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.66	Pass

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	2.98	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.61	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.42
MG Growth Estimate	5.99%
MG Value	\$8.67
MG Value based on 3% Growth	\$6.14
MG Value based on 0% Growth	\$3.60
Market Implied Growth Rate	2.81%

MG Opinion

Current Price	\$5.98
% of Intrinsic Value	68.95%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

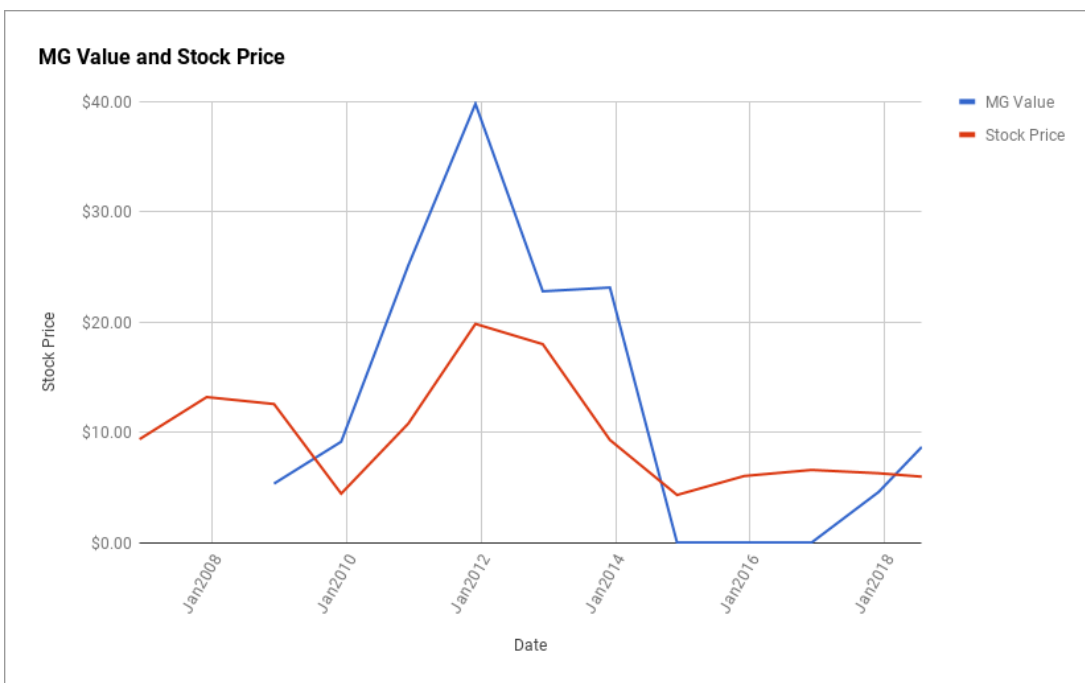
Net Current Asset Value (NCAV)	-\$0.20
Graham Number	\$0.00
PEmg	14.12
Current Ratio	2.98
PB Ratio	0.66
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$0.92	Dec2017	\$0.42
Dec2016	\$0.80	Dec2016	\$0.59
Dec2015	\$0.25	Dec2016	\$0.34
Dec2014	-\$0.22	Dec2015	\$0.19
Dec2013	\$0.71	Dec2014	\$0.30
Dec2012	-\$0.60	Dec2013	\$0.60
Dec2011	\$1.61	Dec2012	\$0.59
Dec2010	\$1.38	Dec2011	\$1.03
Dec2009	\$0.29	Dec2010	\$0.65
Dec2008	\$0.77	Dec2009	\$0.24
Dec2007	-\$0.43	Dec2008	\$0.14
Dec2006	\$0.32	Dec2007	-\$0.17
Dec2005	-\$0.27	Dec2006	-\$0.05
Dec2004	-\$0.44	Dec2005	-\$0.21
Dec2003	\$0.00	Dec2004	-\$0.15
Dec2002	\$0.00	Dec2003	\$0.00
Dec2001	\$0.00	Dec2002	\$0.00
Dec2000	\$0.00	Balance Sheet Information	
Dec1999	\$0.00	3/1/2018	
Dec1998	\$0.00	Total Current Assets	\$1,004,493,000
		Total Current Liabilities	\$337,062,000
		Long-Term Debt	\$404,035,000
		Total Assets	\$3,702,645,000
		Intangible Assets	\$20,784,000
		Total Liabilities	\$1,062,863,000
		Shares Outstanding (Diluted Average)	292,106,000





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.

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company

[Centerra Gold Inc Valuation – Initial Coverage \\$TSE:CG](#)

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[Newmont Mining Corp Valuation – March 2018 \\$NEM](#)
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