

ModernGraham Valuation

Canadian General
Investments Ltd



Company Name:

Company Ticker TSE:CGI

Date of Analysis

7/25/2018

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$528,412,700	Fail
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. 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		
4. Earnings Growth		84.53%	Pass
5. Moderate PEmg Ratio	PEmg < 20	5.87	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.76	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior		Fail
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	4.32
MG Growth Estimate	12.40%
MG Value	\$143.83
MG Value based on 3% Growth	\$62.62
MG Value based on 0% Growth	\$36.71
Market Implied Growth Rate	-1.32%

MG Opinion

Current Price	\$25.33
% of Intrinsic Value	17.61%
Opinion	Undervalued
MG Grade	B-

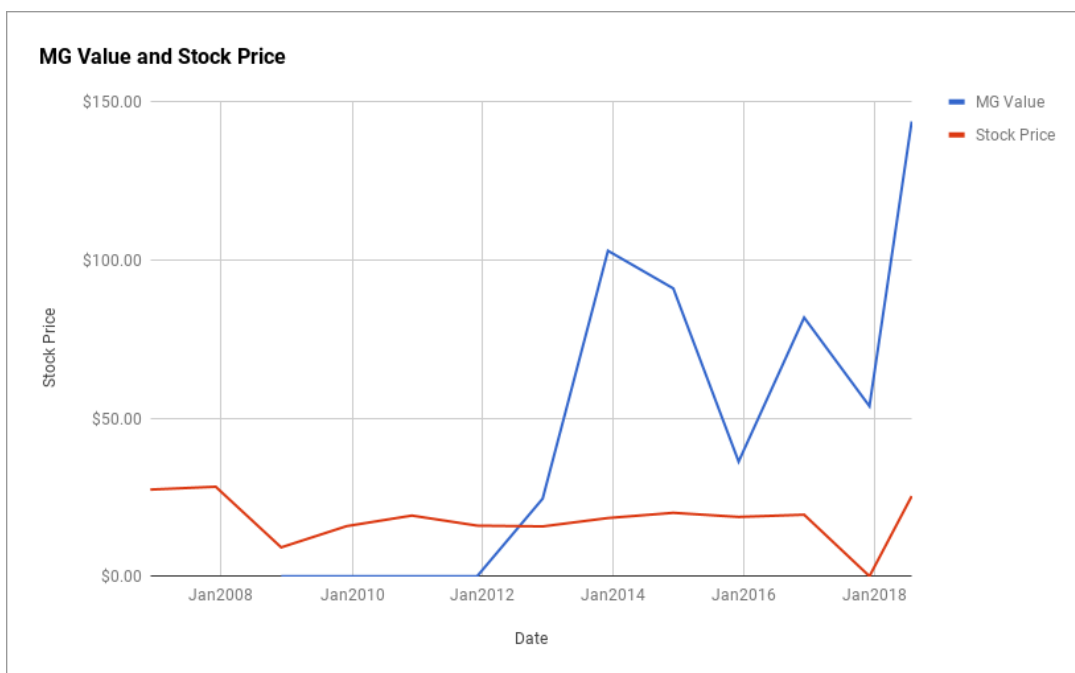
Stage 3: Information for Further Research

Graham Number	\$66.50
PEmg	5.87
PB Ratio	0.76
Dividend Yield	2.84%
Number of Consecutive Years of Dividend Growth	5

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	\$5.93	Next Fiscal Year Estimate	\$4.32
Dec2017	\$5.93	Dec2017	\$3.35
Dec2016	\$4.36	Dec2016	\$2.12
Dec2015	-\$1.92	Dec2015	\$0.94
Dec2014	\$2.17	Dec2014	\$2.36
Dec2013	\$4.54	Dec2013	\$2.67
Dec2012	\$2.16	Dec2012	\$0.64
Dec2011	-\$2.90	Dec2011	-\$0.59
Dec2010	\$5.77	Dec2010	\$0.61
Dec2009	\$5.92	Dec2009	-\$1.03
Dec2008	-\$18.79	Dec2008	-\$2.78
Dec2007	\$2.35	Dec2007	\$4.95
Dec2006	\$8.34	Dec2006	\$5.47
Dec2005	\$6.43	Dec2005	\$3.45
Dec2004	\$4.90	Dec2004	\$1.63
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00		
Dec2000	\$0.00		
Dec1999	\$0.00		
Dec1998	\$0.00		
		Balance Sheet Information	12/1/2017
		Long-Term Debt & Capital Lease Obligation	\$74,902,000
		Total Assets	\$841,618,000
		Intangible Assets	\$0
		Total Liabilities	\$150,178,000
		Shares Outstanding (Diluted Average)	20,861,000





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

- [SLM Corp Valuation – July 2018 \\$SLM](#)
- [IGM Financial Inc Valuation – July 2018 \\$TSE-IGM](#)
- [Main Street Capital Corp Valuation – July 2018 \\$MAIN](#)
- [Legg Mason Inc Valuation – June 2018 \\$LM](#)
- [T. Rowe Price Group Inc Valuation – June 2018 \\$TROW](#)
- [Moody's Corporation – June 2018 \\$MCO](#)
- [Charles Schwab Corp Valuation – June 2018 \\$SCHW](#)
- [Willis Towers Watson PLC Valuation – Initial Coverage June 2018 \\$WLTW](#)
- [PayPal Holdings Inc Valuation – June 2018 \\$PYPL](#)
- [Synchrony Financial Valuation – June 2018 \\$SYF](#)