

ModernGraham Valuation

Company Name:

Cineplex Inc

Company Ticker TSE:CGX

Date of Analysis

7/18/2018



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	\$1,934,187,740	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.40	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	31.60%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	33.61	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.76	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	0.40	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-1.72	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. 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	\$0.91
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$13.18
MG Value based on 0% Growth	\$7.72
Market Implied Growth Rate	12.55%

MG Opinion

Current Price	\$30.54
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$14.37
Graham Number	\$0.00
PEmg	33.61
Current Ratio	0.40
PB Ratio	2.76
Current Dividend	\$1.66
Dividend Yield	5.44%
Number of Consecutive Years of Dividend Growth	7

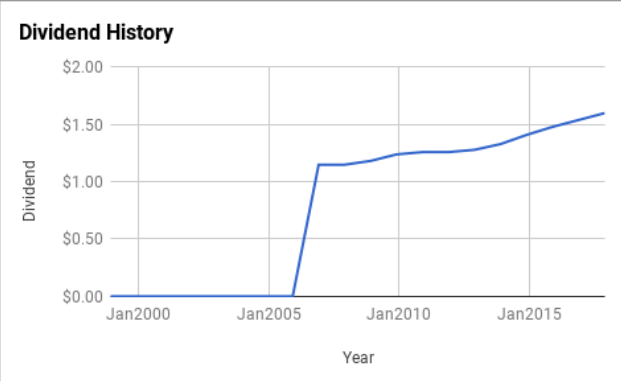
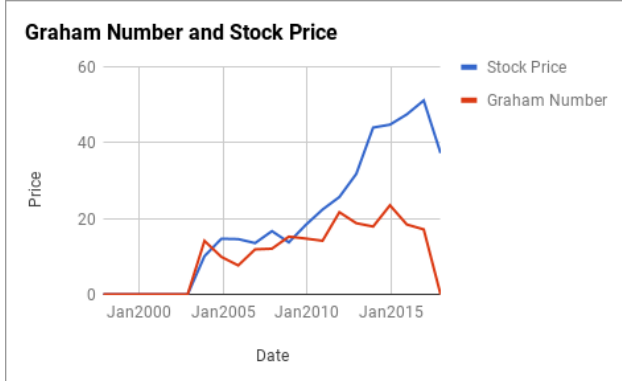
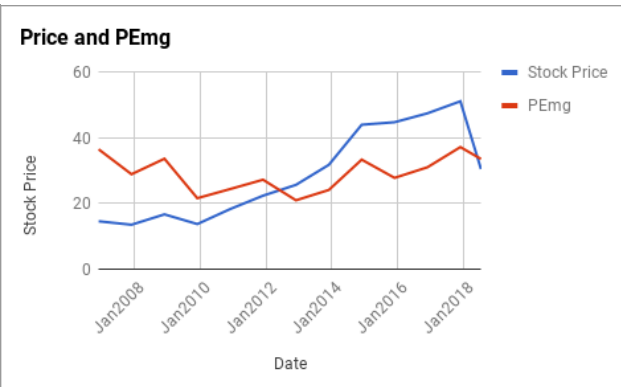
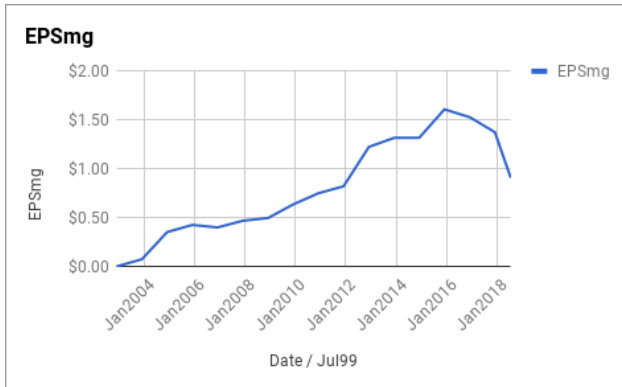
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$1.11	Dec2017	\$0.91
Dec2016	\$1.25	Dec2016	\$1.38
Dec2015	\$2.12	Dec2015	\$1.53
Dec2014	\$1.20	Dec2014	\$1.61
Dec2013	\$1.32	Dec2013	\$1.32
Dec2012	\$1.97	Dec2012	\$1.22
Dec2011	\$0.85	Dec2011	\$0.82
Dec2010	\$0.89	Dec2010	\$0.75
Dec2009	\$0.95	Dec2009	\$0.64
Dec2008	\$0.55	Dec2008	\$0.50
Dec2007	\$0.56	Dec2007	\$0.47
Dec2006	\$0.23	Dec2006	\$0.40
Dec2005	\$0.44	Dec2005	\$0.43
Dec2004	\$0.88	Dec2004	\$0.35
Dec2003	\$0.22	Dec2003	\$0.07
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information	
Dec2000	\$0.00	3/1/2018	
Dec1999	\$0.00	Total Current Assets	\$182,963,000
Dec1998	\$0.00	Total Current Liabilities	\$459,169,000
		Long-Term Debt	\$473,952,000
		Total Assets	\$1,793,161,000
		Intangible Assets	\$933,415,000
		Total Liabilities	\$1,093,168,000
		Shares Outstanding (Diluted Average)	63,343,000





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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