

ModernGraham Valuation

Chemtrade Logistics
Income Fund



Company Name:

Company Ticker TSE:CHE.UN

Date of Analysis

7/26/2018

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	\$1,335,163,418	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.47	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		
5. Earnings Growth		-45.92%	Fail
6. Moderate PEmg Ratio	PEmg < 20	28.39	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.20	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	1.47	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	11.62	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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.53
MG Growth Estimate	-1.79%
MG Value	\$2.59
MG Value based on 3% Growth	\$7.64
MG Value based on 0% Growth	\$4.48
Market Implied Growth Rate	9.94%

MG Opinion

Current Price	\$14.95
% of Intrinsic Value	576.79%
Opinion	Overvalued
MG Grade	D+

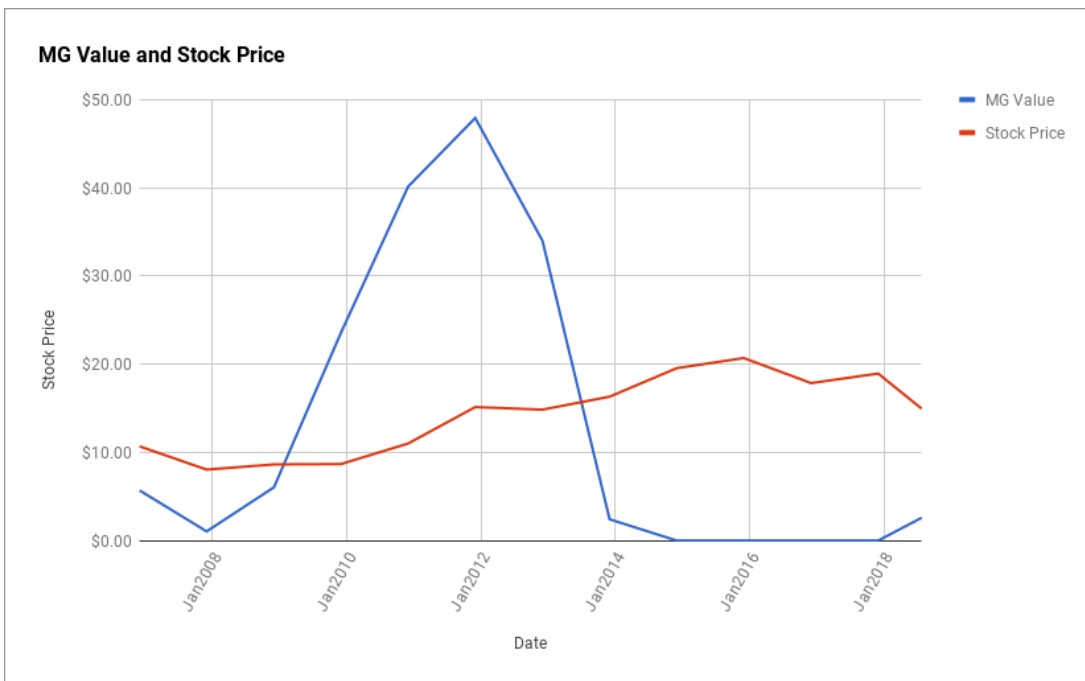
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.93
Graham Number	\$12.05
PEmg	28.39
Current Ratio	1.47
PB Ratio	1.20
Current Dividend	\$1.20
Dividend Yield	8.03%
Number of Consecutive Years of Dividend Growth	0

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	\$0.52	Next Fiscal Year Estimate	\$0.53
Dec2017	\$1.53	Dec2017	\$0.45
Dec2016	\$0.07	Dec2016	-\$0.01
Dec2015	-\$0.69	Dec2015	\$0.11
Dec2014	\$0.35	Dec2014	\$0.60
Dec2013	\$0.13	Dec2013	\$0.81
Dec2012	\$0.94	Dec2012	\$1.18
Dec2011	\$1.48	Dec2011	\$1.24
Dec2010	\$0.92	Dec2010	\$1.04
Dec2009	\$1.52	Dec2009	\$1.00
Dec2008	\$1.21	Dec2008	\$0.70
Dec2007	\$0.61	Dec2007	\$0.48
Dec2006	\$0.11	Dec2006	\$0.48
Dec2005	\$0.48	Dec2005	\$0.66
Dec2004	\$0.71	Dec2004	\$0.70
Dec2003	\$0.81	Dec2003	\$0.60
Dec2002	\$0.91	Dec2002	\$0.43
Dec2001	\$0.46	Balance Sheet Information 3/1/2018	
Dec2000	\$0.00	Total Current Assets	\$349,530,000
Dec1999	\$0.00	Total Current Liabilities	\$237,384,000
Dec1998	\$0.00	Long-Term Debt	\$1,303,484,000
		Total Assets	\$2,976,182,000
		Intangible Assets	\$1,269,955,000
		Total Liabilities	\$1,824,792,000
		Shares Outstanding (Diluted Average)	92,596,000





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 [Chemtrade Logistics Income Fund Valuation – Initial Coverage \\$TSE:CHE.UN](#)

Other ModernGraham posts about related companies

- [PPG Industries Inc Valuation – May 2018 \\$PPG](#)
- [Innospec Inc Valuation – April 2018 \\$IOSP](#)
- [Innophos Holdings Inc Valuation – March 2018 \\$IPHS](#)
- [Olin Corp Valuation – March 2018 \\$OLN](#)
- [A Schulman Inc Valuation – March 2018 \\$SHLM](#)
- [FMC Corp Valuation – March 2018 \\$FMC](#)
- [Compass Minerals International Inc Valuation – March 2018 \\$CMP](#)
- [Ashland Global Holdings Inc Valuation – March 2018 \\$ASH](#)
- [Air Products & Chemicals Inc Valuation – March 2018 \\$APD](#)
- [Koppers Holdings Inc Valuation – March 2018 \\$KOP](#)