

# ModernGraham Valuation

Crombie Real Estate  
Investment Trust



**Company Name:**

Company Ticker TSE:CRR.UN

Date of Analysis

8/13/2018

## 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	\$1,178,043,838	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.11	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	77.21%	Pass
5. Earnings Growth	PEmg < 20	98.21	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.35	Pass
7. Moderate Price to Assets			

*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	0.11	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-5.12	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		Pass

**Suitability**

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.13
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$5.16</b>
MG Value based on 3% Growth	\$1.94
MG Value based on 0% Growth	\$1.14
Market Implied Growth Rate	44.85%

*MG Opinion*

Current Price	\$13.16
% of Intrinsic Value	255.09%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

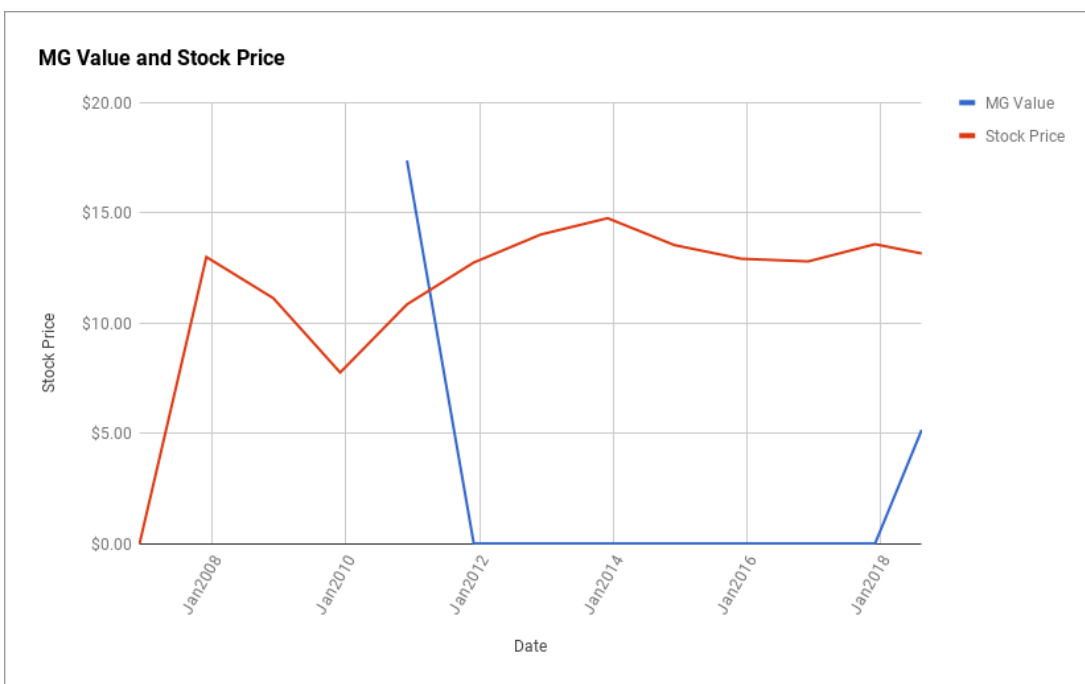
Net Current Asset Value (NCAV)	-\$16.77
Graham Number	\$7.74
PEmg	98.21
Current Ratio	0.11
PB Ratio	1.35
Current Dividend	\$0.89
Dividend Yield	6.76%
Number of Consecutive Years of Dividend Growth	0

**Useful Links:**

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.46	Next Fiscal Year Estimate	\$0.13
Dec2017	\$0.20	Dec2017	-\$0.08
Dec2016	\$0.00	Dec2016	-\$0.25
Dec2015	-\$0.39	Dec2015	-\$0.38
Dec2014	-\$0.32	Dec2014	-\$0.32
Dec2013	-\$0.39	Dec2013	-\$0.24
Dec2012	-\$0.41	Dec2012	-\$0.08
Dec2011	-\$0.43	Dec2011	\$0.16
Dec2010	\$0.44	Dec2010	\$0.45
Dec2009	\$0.36	Dec2009	\$0.43
Dec2008	\$0.57	Dec2008	\$0.41
Dec2007	\$0.49	Dec2007	\$0.28
Dec2006	\$0.44	Dec2006	\$0.15
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	<b>Balance Sheet Information 6/1/2018</b>	
Dec2000	\$0.00	Total Current Assets	\$48,688,000
Dec1999	\$0.00	Total Current Liabilities	\$460,671,000
Dec1998	\$0.00	Long-Term Debt	\$2,108,185,000
		Total Assets	\$4,063,543,000
		Intangible Assets	\$0
		Total Liabilities	\$2,587,986,000
		Shares Outstanding (Diluted Average)	151,463,000





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

- [5 Overvalued Canadian Stocks for Intelligent Investors – March 2017](#)
- [Crombie Real Estate Investment Trust Valuation – Initial Coverage \\$TSE:CRR.UN](#)

Other ModernGraham posts about related companies

- [Charles River Laboratories International Inc Valuation – August 2018 \\$CRL](#)
- [SmartCentres Real Estate Investment Trust Valuation – August 2018 \\$TSE-SRU.UN](#)
- [Camden Property Trust Valuation – August 2018 \\$CPT](#)
- [Senior Housing Properties Trust Valuation – August 2018 \\$SNH](#)
- [CoreSite Realty Corp Valuation – August 2018 \\$COR](#)
- [Tanger Factory Outlet Centers Inc Valuation – July 2018 \\$SKT](#)
- [Capstead Mortgage Corp Valuation – July 2018 \\$CMO](#)
- [Mack-Cali Realty Corp Valuation – July 2018 \\$CLI](#)
- [Chesapeake Lodging Trust Valuation – July 2018 \\$CHSP](#)
- [Alexander & Baldwin Inc Valuation – July 2018 \\$ALEX](#)