ModernGraham Valuation

Company Name:

Residences



Company Ticker TSE:CSH.UN

Date of Analysis 8/27/2018

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$3,254,692,829	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.14	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		
5. Earnings Growth	beginning and end	-112.80%	Fail
Moderate PEmg Ratio	PEmg < 20	48.07	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.30	Fail

Chartwell Retirement

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

 Sufficiently Strong Financial Condition 	Current Ratio > 1.5	0.14 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-5.89 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	Pass
	Score	

Score

Suitability

Defensive No Enterprising Nο

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.32
MG Growth Estimate	15.00%
MG Value	\$12.36
MG Value based on 3% Growth	\$4.65
MG Value based on 0% Growth	\$2.73
Market Implied Growth Rate	19.78%

MG Opinion

Current Price \$15.43 % of Intrinsic Value 124.85%

Opinion Overvalued

MG Grade

Stage 3: Information for Further Research

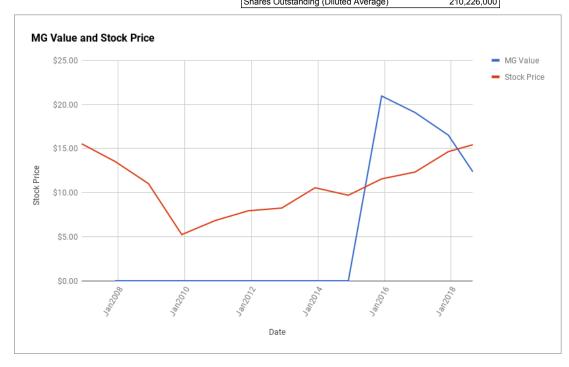
Net Current Asset Value (NCAV)	-\$10.83
Graham Number	\$3.45
PEmg	48.07
Current Ratio	0.14
PB Ratio	3.30
Current Dividend	\$0.57
Dividend Yield	3.71%
Number of Consecutive Years of Dividend	_
Growth	3

Morningstar

Useful Links: ModernGraham tagged articles

Google Finance MSN Money Yahoo Finance Seeking Alpha **GuruFocus SEC Filings**

EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$0.32
Dec2017	\$0.06	Dec2017	\$0.43
Dec2016	\$0.03	Dec2016	\$0.50
Dec2015	\$1.99	Dec2015	\$0.54
Dec2014	-\$0.05	Dec2014	-\$0.22
Dec2013	\$0.14	Dec2013	-\$0.36
Dec2012	-\$0.80	Dec2012	-\$0.63
Dec2011	-\$0.43	Dec2011	-\$0.58
Dec2010	-\$0.43	Dec2010	-\$0.65
Dec2009	-\$0.68	Dec2009	-\$0.70
Dec2008	-\$1.03	Dec2008	-\$0.64
Dec2007	-\$0.76	Dec2007	-\$0.40
Dec2006	-\$0.24	Dec2006	-\$0.20
Dec2005	-\$0.28	Dec2005	-\$0.15
Dec2004	-\$0.19	Dec2004	-\$0.08
Dec2003	-\$0.06	Dec2003	-\$0.02
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information	6/1/2018
Dec2000	\$0.00	Total Current Assets	\$52,301,000
Dec1999	\$0.00	Total Current Liabilities	\$378,657,000
Dec1998	\$0.00	Long-Term Debt	\$1,923,491,000
		Total Assets	\$3,311,179,000
		Intangible Assets	\$55,343,000
		Total Liabilities	\$2,328,737,000
		Shares Outstanding (Diluted Average)	210,226,000





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 <u>Chartwell Retirement Residences Valuation – Initial Coverage \$TSE:CSH.UN</u>

Other ModernGraham posts about related companies Charles River Laboratories International Inc Valuation - August 2018 \$CRL

Surmodics Inc Valuation - August 2018 \$SRDX

Conmed Corp Valuation – August 2018 \$CNMD

Invacare Corp Valuation - July 2018 \$IVC

Select Medical Holdings Corp Valuation – July 2018 \$SEM

Chemed Corp Valuation – July 2018 \$CHE

Inogen Inc Valuation – July 2018 \$INGN

Tenet Healthcare Corp Valuation – June 2018 \$THC

<u>Universal Health Services Inc Valuation – June 2018 \$UHS</u>

Dentsply Sirona Inc Valuation - June 2018 \$XRAY