

ModernGraham Valuation

Canadian Tire
Corporation Limited
Class A



Company Name:

Company Ticker TSE:CTC.A

Date of Analysis

8/30/2018

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	\$10,951,365,292	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.82	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	104.14%	Pass
5. Earnings Growth	PEmg < 20	16.40	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.12	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	1.82	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.87	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$10.08
MG Growth Estimate	7.51%
MG Value	\$236.97
MG Value based on 3% Growth	\$146.11
MG Value based on 0% Growth	\$85.65
Market Implied Growth Rate	3.95%

MG Opinion

Current Price	\$165.27
% of Intrinsic Value	69.74%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$27.87
Graham Number	\$134.18
PEmg	16.40
Current Ratio	1.82
PB Ratio	2.12
Current Dividend	\$2.60
Dividend Yield	1.57%
Number of Consecutive Years of Dividend Growth	7

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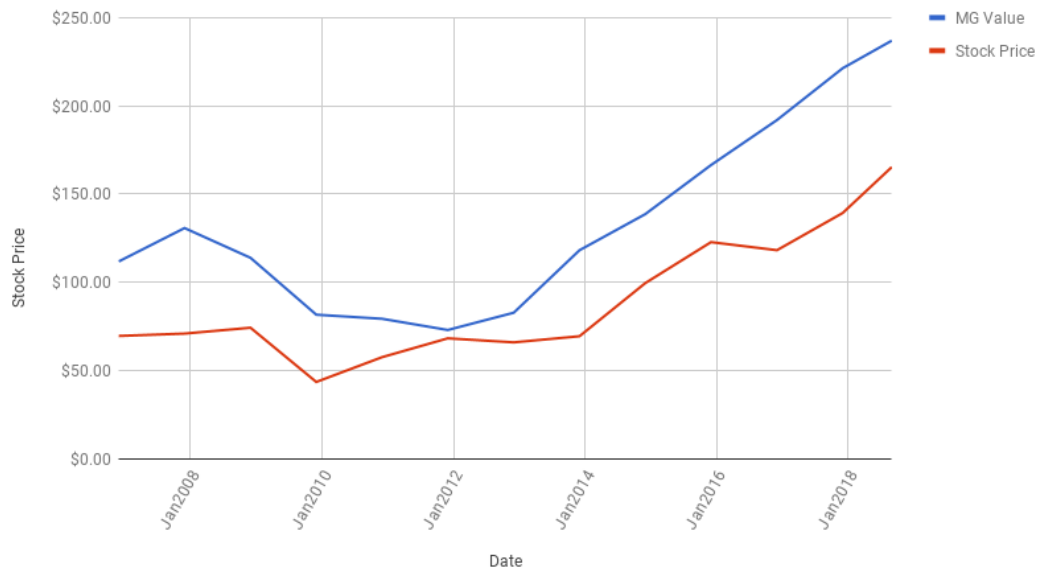
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$11.20	Next Fiscal Year Estimate	\$10.08
Dec2017	\$10.67	Dec2017	\$9.21
Dec2016	\$9.22	Dec2016	\$8.22
Dec2015	\$8.61	Dec2015	\$7.47
Dec2014	\$7.59	Dec2014	\$6.72
Dec2013	\$6.91	Dec2013	\$6.07
Dec2012	\$6.10	Dec2012	\$5.49
Dec2011	\$5.71	Dec2011	\$5.12
Dec2010	\$5.42	Dec2010	\$4.78
Dec2009	\$4.10	Dec2009	\$4.44
Dec2008	\$4.60	Dec2008	\$4.51
Dec2007	\$5.05	Dec2007	\$4.30
Dec2006	\$4.31	Dec2006	\$3.77
Dec2005	\$3.98	Dec2005	\$3.34
Dec2004	\$3.53	Dec2004	\$2.89
Dec2003	\$2.95	Dec2003	\$2.48
Dec2002	\$2.53	Dec2002	\$2.21
Dec2001	\$2.23	Balance Sheet Information 6/1/2018	
Dec2000	\$1.89	Total Current Assets	\$8,394,800,000
Dec1999	\$1.89	Total Current Liabilities	\$4,608,100,000
Dec1998	\$2.09	Long-Term Debt	\$3,312,200,000
		Total Assets	\$15,313,900,000
		Intangible Assets	\$1,282,700,000
		Total Liabilities	\$10,219,800,000
		Shares Outstanding (Diluted Average)	65,489,000

MG Value and Stock Price





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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