

ModernGraham Valuation

SmartCentres Real
Estate Investment
Trst



Company Name:

Company Ticker TSE:SRU.UN

Date of Analysis

8/12/2018

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	\$4,074,007,274	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.35	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	-2.06%	Fail
5. Earnings Growth	PEmg < 20	15.24	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.99	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	0.35	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-6.53	Fail
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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.01
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$29.08
MG Value based on 0% Growth	\$17.05
Market Implied Growth Rate	3.37%

MG Opinion

Current Price	\$30.57
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$27.10
Graham Number	\$35.66
PEmg	15.24
Current Ratio	0.35
PB Ratio	0.99
Current Dividend	\$1.71
Dividend Yield	5.60%
Number of Consecutive Years of Dividend Growth	4

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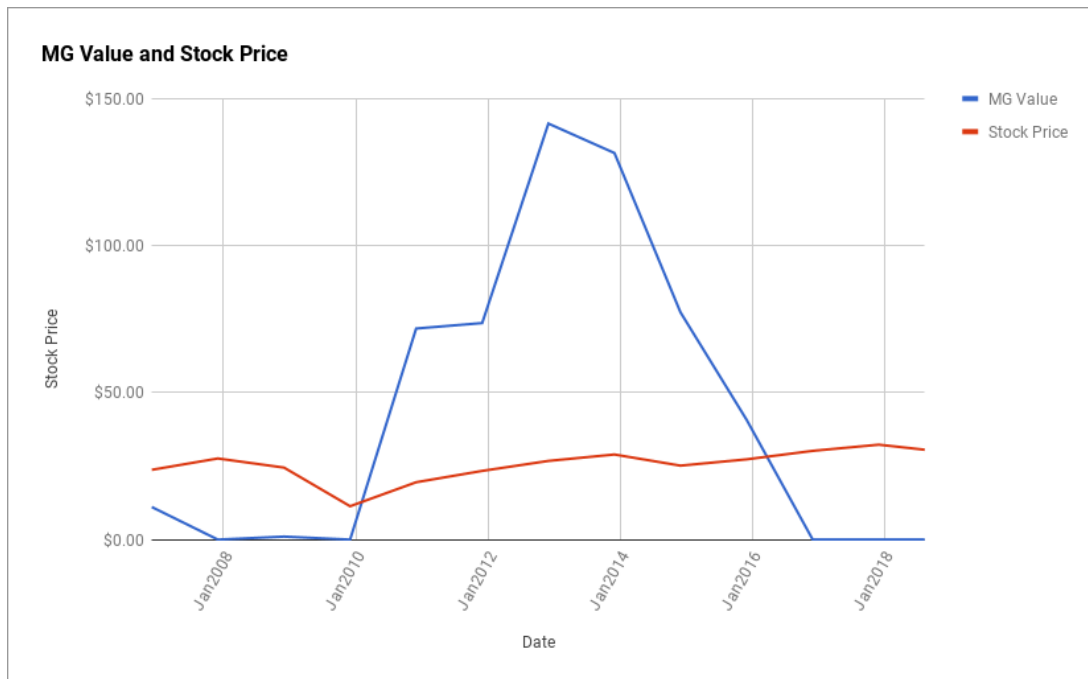
[Yahoo Finance](#)

[Morningstar](#)

[MSN Money](#)

[Seeking Alpha](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.23	Next Fiscal Year Estimate	\$2.01
Dec2017	\$1.88	Dec2017	\$1.89
Dec2016	\$2.08	Dec2016	\$2.22
Dec2015	\$1.75	Dec2015	\$2.44
Dec2014	\$1.67	Dec2014	\$2.96
Dec2013	\$2.04	Dec2013	\$3.42
Dec2012	\$6.81	Dec2012	\$3.68
Dec2011	\$1.43	Dec2011	\$1.91
Dec2010	\$4.65	Dec2010	\$1.87
Dec2009	\$0.24	Dec2009	\$0.47
Dec2008	\$0.95	Dec2008	\$0.56
Dec2007	\$0.33	Dec2007	\$0.44
Dec2006	\$0.26	Dec2006	\$0.56
Dec2005	\$0.55	Dec2005	\$0.71
Dec2004	\$0.51	Dec2004	\$0.73
Dec2003	\$1.29	Dec2003	\$0.74
Mar2002	\$0.86	Mar2002	\$0.41
Mar2001	\$0.23	Balance Sheet Information 6/1/2018	
Mar2000	\$0.18	Total Current Assets	\$293,338,000
Mar1999	\$0.23	Total Current Liabilities	\$848,075,000
Dec1998	\$0.00	Long-Term Debt	\$3,622,809,000
		Total Assets	\$9,513,881,000
		Intangible Assets	\$49,798,000
		Total Liabilities	\$4,592,418,000
		Shares Outstanding (Diluted Average)	158,617,000





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:

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ModernGraham
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company

[Smart REIT Valuation – Initial Coverage \\$TSE:SRU.UN](#)

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[Senior Housing Properties Trust Valuation – August 2018 \\$SNH](#)
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[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](#)
[Summit Hotel Properties Inc Valuation – July 2018 \\$INN](#)
[Sabra Health Care REIT Inc Valuation – July 2018 \\$SBRA](#)