



## Power Results Met With an Icy Reception

### Description

There was plenty of weakness across the S&P/TSX Composite on Wednesday, as the Canadian market fell by slightly more than 1%.

Two names that typically don't show up on a "worst of" list but were significant negative contributors to today's decline are **Power Corporation** ([TSX:POW](#)) and **Power Financial** (TSX:PWF). The stocks were down by about 3% as both companies reported lower than expected results.

### Results

The table below contains a snapshot of each company's results. Clearly, 2012 was a challenging year as low-interest rates and wonky equity markets continue to weigh on the financial subsidiaries embedded within these holding companies.

	Operating Earnings			Net Income		
	2012	2011	Change	2012	2011	Change
Power Corp.	\$2.09	\$2.50	-16.4%	\$1.81	\$2.24	-19.2%
Power Fin'l	\$2.38	\$2.44	-2.5%	\$2.30	\$2.43	-5.3%

Source: Company reports

### Worry? Who us?

You'd be hard pressed to find an entity outside of Omaha, Nebraska that could care less about quarterly results than the Desmarais family controlled Power Group. Today's earnings release makes

no mention of a conference call to discuss the results and is void of any commentary.

The Power Group invests for the long-term and doesn't let quarterly fluctuations distract them from their objective of owning companies that have a proven ability to dominate.

Their patience and focused strategy has paid off, especially for long-term shareholders. The table below outlines the total returns provided by both Power Corp. and Power Financial over several historical periods. With dividends included, these companies just don't lose to the Canadian market.

	POW	PWF	S&P/TSX
2 Year	9.8%	8.7%	-5.4%
5 Year	5.8%	12.7%	-3.1%
10 Year	111.8%	131.0%	106.8%
20 Year	1102.1%	2106.0%	263.0%

Source: Capital IQ

## The Foolish Bottom Line

Companies like Power Corp. and Power Fin are somewhat rare on the Canadian landscape. These are companies that you can essentially buy and forget about. Sure they'll have days like today, but over the long-term, odds are that you'll be well served by having one (or both) of them in your portfolio.

*We have created a special report that identifies several other Canadian companies that have similar buy and forget characteristics. To find out who these companies are, simply [click here](#) and the report will be delivered to your inbox, absolutely free!*

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*Fool contributor Iain Butler does not own shares in any of the companies mentioned in this report at this time. The Motley Fool has no positions in the stocks mentioned above.*

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:POW (Power Corporation of Canada)

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