



ALERT for TFSA and RRSP Investors: A Value Stock for Millionaires

Description

Senvest Capital Inc ([TSX:SEC](#)) holds investments in [equity and real estate holdings](#) primarily in the United States. The company makes investments in derivative financial instruments consisting mainly of warrants and options to purchase or sell equity indices and currencies, equity swaps, foreign currency forward contracts, and foreign currency futures contracts.

Senvest also invests in private entities whose main assets are real estate properties and non-publicly-traded real estate income trusts.

It also operates in Canada, European Union, Argentina, and internationally. The company was incorporated in 1968 and corporate headquarters in Montreal, Canada.

The company is [extremely cheap](#) with a price to book ratio of 0.5 and market capitalization of 426 million. Leverage is very rarely used at Senvest to fund investments as evidenced by a debt to equity ratio of just 0.03.

The company has excellent performance metrics with an operating margin of 110.57%. The liquidation value of Senvest, net of all liabilities, is about double the market price.

Senvest Capital has large equity holdings of public companies, especially Canadian oil and gas exploration and production companies which have recently not performed well. The price of West Texas intermediate (WTI) dropped 36% last quarter and impacted Senvest's results.

The company also owns a large stake in an analog semiconductor foundry, which lost 32% and was the company's biggest decliner apart from the resource industry. The foundry's management cited overall market softness coupled with a slower than expected ramp in new higher margin products.

The company's largest holding is timeshare operator **Marriot Vacations**. Marriot Vacations is the exclusive worldwide developer, marketer, seller and manager of timeshare resorts under the brand names Marriott and Ritz-Carlton Destination Club.

The company was spun out of Marriott International and recently completed a transformational merger

with ILG Inc. This merger added the Westin, Sheraton and Hyatt brands to create the largest portfolio of upper-upscale and luxury brands in the timeshare industry.

With a combined loyalty program of about 100 million members, Marriot Vacations now has a better opportunity to penetrate this customer base further.

The company selects individual securities in favourable sectors such as technology, financials, and real estate. Senvest's large exposure to energy investments offer an excellent risk-reward and upside potential through a combination of change and execution effected by rising revenues and earnings.

The company consolidates two funds, Senvest Master Fund, which is focused primarily on small and mid-cap companies, and Senvest Israel Partners Fund, which invests in Israel related companies. Senvest has total consolidated assets of \$2.75 billion.

The company also has a portfolio of real estate investments comprising investments in various real estate investment trusts (REIT's) and partnerships. The company has communicated that if the real estate properties of the REIT's and partnerships are sold, the net proceeds would get distributed to shareholders. The company also owns minority interests in private entities whose main assets are real estate properties.

The company is ridiculous cheap and trades at half of the liquidation value with a growing asset management business. Senvest's management recognizes the undervaluation and has been buying significant amounts of stock on the open market.

CATEGORY

1. Investing

POST TAG

1. dividend

TICKERS GLOBAL

1. NYSE:VAC (Marriott Vacations Worldwide)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing

Tags

1. dividend

Date

2025/08/24

Date Created

2019/11/24

Author

nikhilwaterloo

default watermark

default watermark