

ModernGraham Valuation

Abercrombie & Fitch
Co.



Company Name:

Company Ticker ANF

Date of Analysis

8/17/2015

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	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Pass
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 beginning and end	Fail
5. Earnings Growth		Fail
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Pass

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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	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	Fail

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	0.89
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$12.97
MG Value based on 0% Growth	\$7.60
Market Implied Growth Rate	6.38%

MG Opinion

Current Price	\$19.02
% of Intrinsic Value	N/A
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$0.15
PEmg	21.26
Current Ratio	2.39
PB Ratio	1.01
Dividend Yield	4.21%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.24	Next Fiscal Year Estimate	\$0.89
Jan15	\$0.71	Jan15	\$1.32
Jan14	\$0.69	Jan14	\$1.54
Jan13	\$2.85	Jan13	\$1.93
Jan12	\$1.61	Jan12	\$1.75
Jan11	\$1.73	Jan11	\$2.19
Jan10	\$0.00	Jan10	\$2.71
Jan09	\$3.05	Jan09	\$3.96
Jan08	\$5.20	Jan08	\$4.13
Jan07	\$4.59	Jan07	\$3.37
Jan06	\$3.66	Jan06	\$2.61
Jan05	\$2.28	Jan05	\$2.03
Jan04	\$2.06	Jan04	\$1.84
Jan03	\$1.98	Jan03	\$1.66
Jan02	\$1.65	Jan02	\$1.40
Jan01	\$1.55	Jan01	\$1.16
Jan00	\$1.39	Jan00	\$0.85
Jan99	\$0.96	Balance Sheet Information Apr15	
Jan98	\$0.47	Total Current Assets	\$1,046,742,000
Jan97	\$0.27	Total Current Liabilities	\$437,503,000
Jan96	\$0.00	Long-Term Debt	\$340,103,000
		Total Assets	\$2,364,592,000
		Intangible Assets	\$0
		Total Liabilities	\$1,057,292,000
		Outstanding Shares	69,510,000



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

#N/A

Other
ModernGraham
posts about related
companies

[Nike Inc. Analysis – August 2015 Update \\$NKE](#)

[The Best Companies of the Apparel Industry – June 2015 \\$GPS \\$HBI \\$KORS \\$RL \\$VFC](#)

[American Eagle Outfitters Analysis – Initial Coverage \\$AEO](#)

[Under Armour Inc. Analysis – Initial Coverage \\$UA](#)

[Hanesbrands Inc. Analysis – Initial Coverage \\$HBI](#)

[Wolverine World Wide Analysis – June 2015 Update \\$WWW](#)

[Ralph Lauren Corporation Analysis – June 2015 Update \\$RL](#)

[Gap Inc. Analysis – June 2015 Update \\$GPS](#)

[VF Corporation Analysis – June 2015 Update \\$VFC](#)

[Nike Inc. Quarterly Valuation – May 2015 \\$NKE](#)