# **ModernGraham Valuation**

### **Company Name:**

Abercrombie & Fitch Co.



Company Ticker
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.

ANF

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 Increase of 33% in EPS in past 10 years using 3 year averages at	Pass
5.	Earnings Growth	beginning and end	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

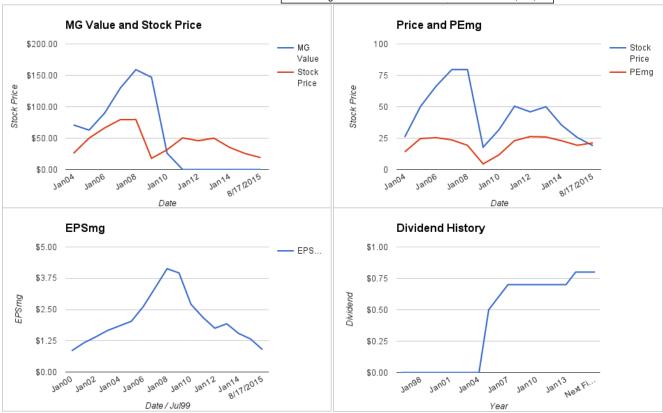
 Useful Links:
 ModernGraham tagged articles
 Morningstar

 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