

# ModernGraham Valuation

Company Name:

Ulta Beauty Inc

Company Ticker ULTA

Date of Analysis

3/5/2017



## 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	\$17,353,722,489	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.35	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	876.43%	Pass
6. Moderate PEmg Ratio	PEmg < 20	57.40	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	12.01	Fail

*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	2.35	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.85
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$186.57</b>
MG Value based on 3% Growth	\$70.27
MG Value based on 0% Growth	\$41.19
Market Implied Growth Rate	24.45%

### MG Opinion

Current Price	\$278.15
% of Intrinsic Value	149.09%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

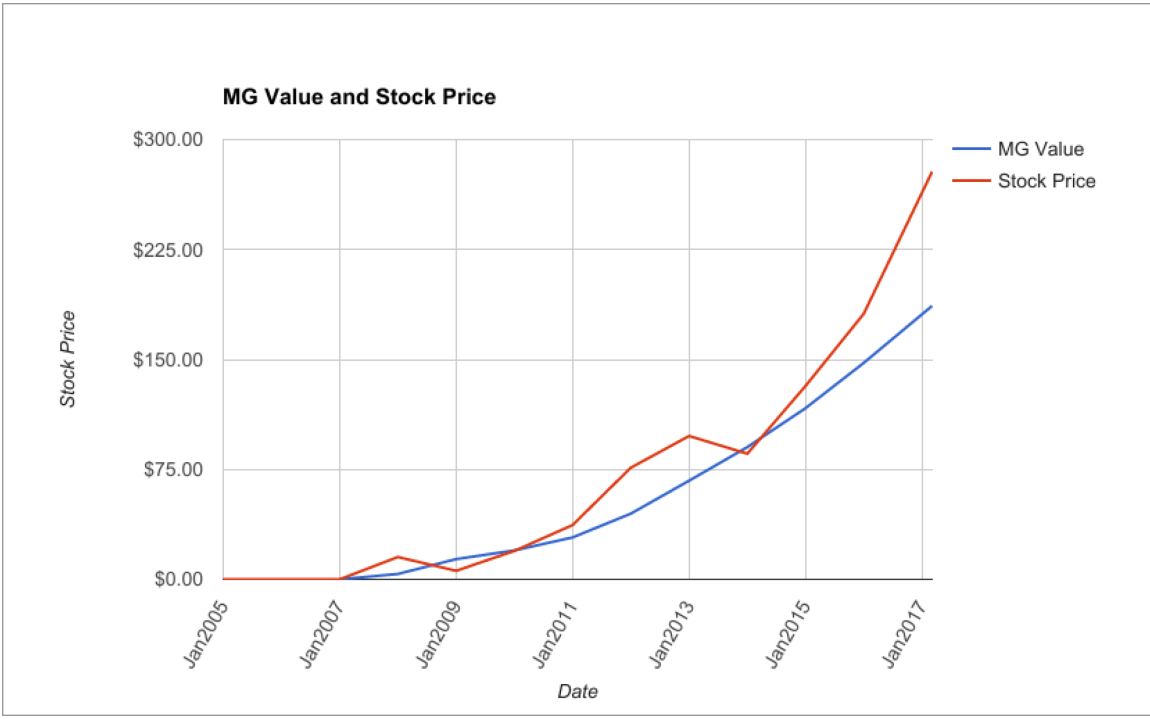
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$7.01
Graham Number	\$57.79
PEmg	57.40
Current Ratio	2.35
PB Ratio	12.01
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.37	Next Fiscal Year Estimate	\$4.85
Jan2016	\$4.98	Jan2016	\$3.84
Jan2015	\$3.98	Jan2015	\$3.03
Jan2014	\$3.15	Jan2014	\$2.34
Jan2013	\$2.68	Jan2013	\$1.75
Jan2012	\$1.90	Jan2012	\$1.16
Jan2011	\$1.16	Jan2011	\$0.74
Jan2010	\$0.66	Jan2010	\$0.51
Jan2009	\$0.43	Jan2009	\$0.36
Jan2008	\$0.48	Jan2008	\$0.10
Jan2007	\$0.45	Jan2007	-\$0.22
Jan2006	\$0.33	Jan2006	-\$0.55
Jan2005	-\$0.70	Jan2005	-\$0.86
Jan2004	-\$2.36	Jan2004	-\$0.78
Jan2003	\$0.02	Jan2003	\$0.01
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	<b>Balance Sheet Information 10/1/2016</b>	
Dec1999	\$0.00	Total Current Assets	\$1,538,465,000
Dec1998	\$0.00	Total Current Liabilities	\$654,640,000
Dec1997	\$0.00	Long-Term Debt	\$0
		Total Assets	\$2,551,201,000
		Intangible Assets	\$0
		Total Liabilities	\$1,099,117,000
		Shares Outstanding (Diluted Average)	62,692,000





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

- [Kohl's Corporation Valuation – March 2017 \\$KSS](#)
- [Stamps.com Inc Valuation – Initial Coverage \\$STMP](#)
- [Kirkland's Inc Valuation – Initial Coverage \\$KIRK](#)
- [Dollar Tree Inc Valuation – February 2017 \\$DLTR](#)
- [Staples Inc Valuation – February 2017 \\$SPLS](#)
- [Stein Mart Inc Valuation – Initial Coverage \\$SMRT](#)
- [J C Penney Company Inc Valuation – Initial Coverage \\$JCP](#)
- [TJX Companies Inc Valuation – December 2016 \\$TJX](#)
- [Shoe Carnival Inc Valuation – Initial Coverage \\$SCVL](#)
- [Aaron's Inc Valuation – November 2016 \\$AAN](#)