

ModernGraham Valuation

Company Name:

Ann Inc

Company Ticker ANN

Date of Analysis

8/18/2015



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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	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	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	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	Fail
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	1.81
MG Growth Estimate	15.00%
MG Value	\$69.81
MG Value based on 3% Growth	\$26.29
MG Value based on 0% Growth	\$15.41
Market Implied Growth Rate	8.34%

MG Opinion

Current Price	\$45.65
% of Intrinsic Value	65.39%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.68
PEmg	25.17
Current Ratio	1.86
PB Ratio	3.91
Dividend Yield	0.00%
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	\$1.79	Next Fiscal Year Estimate	\$1.81
Jan15	\$1.46	Jan15	\$1.79
Jan14	\$2.19	Jan14	\$1.76
Jan13	\$2.10	Jan13	\$0.95
Jan12	\$1.64	Jan12	\$0.14
Jan11	\$1.24	Jan11	-\$0.50
Jan10	-\$0.32	Jan10	-\$1.01
Jan09	-\$5.82	Jan09	-\$0.93
Jan08	\$1.53	Jan08	\$1.48
Jan07	\$1.98	Jan07	\$1.40
Jan06	\$1.13	Jan06	\$1.08
Jan05	\$0.88	Jan05	\$1.01
Jan04	\$1.42	Jan04	\$1.03
Jan03	\$1.14	Jan03	\$0.82
Jan02	\$0.45	Jan02	\$0.64
Jan01	\$0.78	Jan01	\$0.67
Jan00	\$0.91	Jan00	\$0.54
Jan99	\$0.64	Balance Sheet Information Apr15	
Jan98	\$0.21	Total Current Assets	\$617,259,000
Jan97	\$0.16	Total Current Liabilities	\$332,283,000
Jan96	-\$0.02	Long-Term Debt	\$0
		Total Assets	\$1,070,703,000
		Intangible Assets	\$0
		Total Liabilities	\$541,127,000
		Shares Outstanding (Diluted Average)	45,383,000



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.

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- [Coach Inc. Analysis – July 2015 Update \\$COH](#)
- [TJX Companies Analysis – July 2015 Update \\$TJX](#)
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- [Tiffany & Company Analysis – July 2015 Update \\$TIF](#)
- [Urban Outfitters Analysis – July 2015 Update \\$URBN](#)
- [Fossil Group Inc. Analysis – June 2015 Update \\$FOSL](#)
- [Target Corporation Stock Analysis – 2015 Update \\$TGT](#)