ModernGraham Valuation

Company Name:

Company Ticker AAN Date of Analysis Aaron's, Inc.



10/29/2015

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	\$2,492,338,661	Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.30	Pass
	3. Earnings Stability	Positive EPS for 10 years prior		Pass
	4. Dividend Record	Dividend Payments for 10 years prior		Pass
	5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	56.49%	Pass
	6. Moderate PEmg Ratio	PEmg < 20	19.97	Pass
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.90	Pass
Enterprising Investor;	must pass 4 out of the following 5 tests, or b	e suitable for the Defensive Investor.		
	1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.30	Pass
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.70	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		Pass

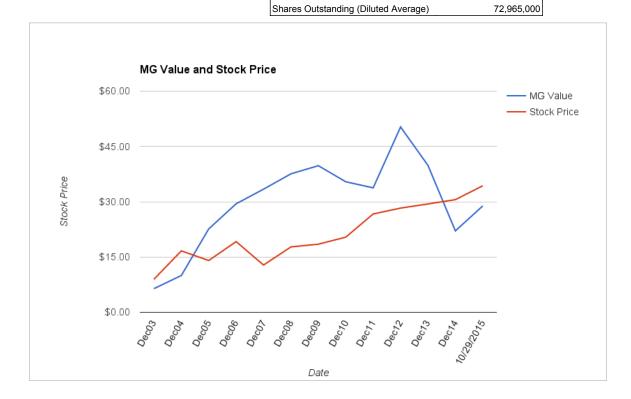
Suitability

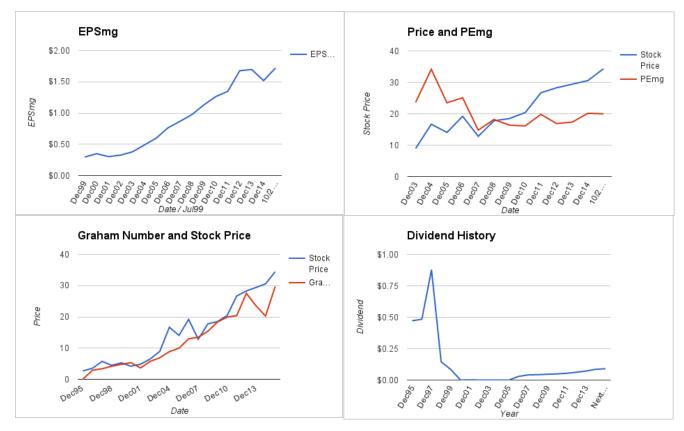
Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

-	EPSmg	\$1.	72
	MG Growth Estimate	4.14	%
	MG Value	\$28.	87
	MG Value based on 3% Growth	\$24.	93
	MG Value based on 0% Growth	\$14.	61
	Market Implied Growth Rate	5.74	%
MG Opinion			
	Current Price	\$34.1	34
	% of Intrinsic Value	118.97	%
	Opinion	Overvalued	
Stage 3: Infor	mation for Further Research		
	Net Current Asset Value (NCAV)	\$2.	86
	Graham Number	\$29.	70
	PEmg	19.	97
	Current Ratio	2.	30
	PB Ratio	1.	90
	Dividend Yield	0.26	6%
	Number of Consecutive Years of Dividend Growth		10
Useful Links:	ModernGraham tagged articles	Morningstar	
	Google Finance	MSN Money	
	Google Finance Yahoo Finance	MSN Money Seeking Alpha	

EPS History	EPSmg History	
Next Fiscal Year Estimate \$2.1	6 Next Fiscal Year Estimate	\$1.72
•	8 Dec14	\$1.52
	8 Dec13	\$1.70
	5 Dec12	\$1.68
•	3 Dec11	\$1.35
•	4 Dec10	\$1.26
	7 Dec09	\$1.13
Dec08 \$1.1	1 Dec08	\$0.98
Dec07 \$0.9	7 Dec07	\$0.87
Dec06 \$1.0	D Dec06	\$0.76
Dec05 \$0.7	6 Dec05	\$0.60
Dec04 \$0.6	9 Dec04	\$0.49
Dec03 \$0.4	9 Dec03	\$0.38
Dec02 \$0.3	8 Dec02	\$0.33
Dec01 \$0.1	B Dec01	\$0.30
Dec00 \$0.4	1 Dec00	\$0.35
Dec99 \$0.3	7 Dec99	\$0.30
Dec98 \$0.3	1 Balance Sheet Information Jun15	
Dec97 \$0.2	8 Total Current Assets	\$1,246,116,000
Dec96 \$0.2	3 Total Current Liabilities	\$542,760,000
Dec95 \$0.0	4 Long-Term Debt	\$494,858,000
	Total Assets	\$2,354,707,000
	Intangible Assets	\$818,140,000
	Total Liabilities	\$1,037,618,000





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

Other ModernGraham posts about related companies

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