

ModernGraham Valuation

Company Name:

Urban Outfitters, Inc.

Company Ticker

URBN

Date of Analysis

10/2/2015



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	\$3,762,619,866	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.38	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	90.86%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	17.60	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.16	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	2.38	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.24	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	\$1.71
MG Growth Estimate	4.79%
MG Value	\$30.97
MG Value based on 3% Growth	\$24.83
MG Value based on 0% Growth	\$14.56
Market Implied Growth Rate	4.55%

MG Opinion

Current Price	\$30.14
% of Intrinsic Value	97.31%
Opinion	Fairly Valued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.27
Graham Number	\$19.82
PEmg	17.60
Current Ratio	2.38
PB Ratio	3.16
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	\$1.77	Next Fiscal Year Estimate	\$1.71
Jan15	\$1.68	Jan15	\$1.65
Jan14	\$1.89	Jan14	\$1.60
Jan13	\$1.62	Jan13	\$1.43
Jan12	\$1.19	Jan12	\$1.30
Jan11	\$1.60	Jan11	\$1.28
Jan10	\$1.28	Jan10	\$1.07
Jan09	\$1.17	Jan09	\$0.92
Jan08	\$0.94	Jan08	\$0.74
Jan07	\$0.69	Jan07	\$0.60
Jan06	\$0.77	Jan06	\$0.49
Jan05	\$0.54	Jan05	\$0.31
Jan04	\$0.30	Jan04	\$0.19
Jan03	\$0.18	Jan03	\$0.13
Jan02	\$0.11	Jan02	\$0.10
Jan01	\$0.08	Jan01	\$0.10
Jan00	\$0.13	Jan00	\$0.11
Jan99	\$0.11	Balance Sheet Information Jul15	
Jan98	\$0.10	Total Current Assets	\$839,463,000
Jan97	\$0.09	Total Current Liabilities	\$353,277,000
Jan96	\$0.09	Long-Term Debt	\$115,000,000
		Total Assets	\$1,907,333,000
		Intangible Assets	\$0
		Total Liabilities	\$676,085,000
		Shares Outstanding (Diluted Average)	129,081,000





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

[The Best Companies of the Retail Industry – August 2015](#)
[Urban Outfitters Analysis – July 2015 Update \\$URBN](#)
[27 Companies in the Spotlight This Week – 4/4/15](#)
[Urban Outfitters Inc. Quarterly Valuation – March 2015 \\$URBN](#)
[32 Companies in the Spotlight This Week – 12/6/14](#)

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[Fossil Group Inc. Analysis – September 2015 Update \\$FOSL](#)
[Ross Stores Inc. Analysis – August 2015 Update \\$ROST](#)
[The Best Companies of the Retail Industry – August 2015](#)
[Bed Bath & Beyond Inc. Analysis – August 2015 Update \\$BBBY](#)
[Ann Inc. Analysis – Initial Coverage \\$ANN](#)
[Kohl's Corporation Analysis – August 2015 Update \\$KSS](#)
[Aaron's Inc. Analysis – Initial Coverage \\$AAN](#)
[Nordstrom Inc. Analysis – July 2015 Update \\$JWN](#)
[Tractor Supply Company Analysis – Initial Coverage \\$TSCO](#)