

ModernGraham Valuation

Company Name:

Company Ticker ANF
Date of Analysis

Abercrombie & Fitch
Co.

11/19/2015



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	\$1,374,130,908	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.08	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-91.04%	Fail
6. Moderate PEmg Ratio	PEmg < 20	27.22	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.08	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	2.08	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.59	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.73
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$10.60
MG Value based on 0% Growth	\$6.22
Market Implied Growth Rate	9.36%

MG Opinion

Current Price	\$19.91
% of Intrinsic Value	N/A
Opinion	Overvalued

Stage 3: Information for Further Research

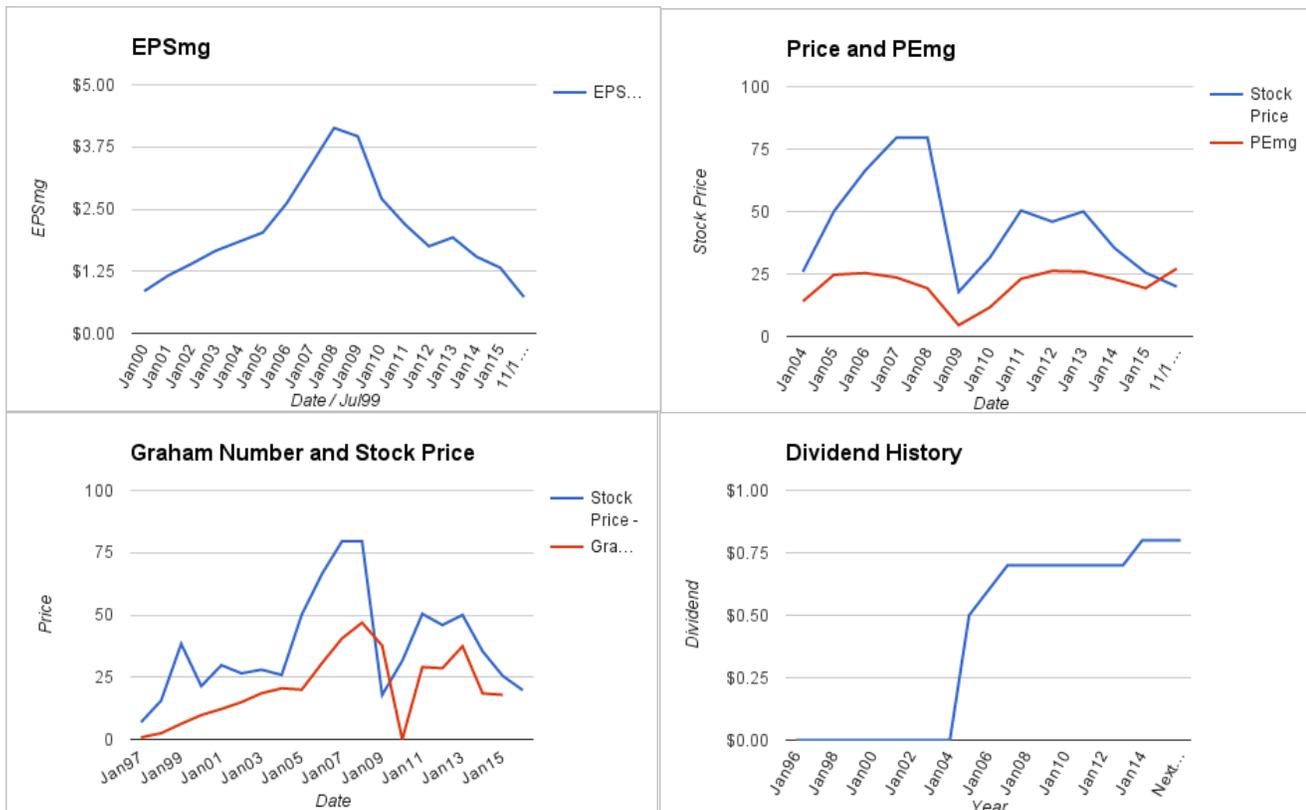
Net Current Asset Value (NCAV)		-\$0.50
Graham Number	#NUM!	
PEmg		27.22
Current Ratio		2.08
PB Ratio		1.08
Dividend Yield		4.02%
Number of Consecutive Years of Dividend Growth		0

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	-\$0.25	Next Fiscal Year Estimate	\$0.73
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 Jul15	
Jan98	\$0.47	Total Current Assets	\$1,103,142,000
Jan97	\$0.27	Total Current Liabilities	\$529,128,000
Jan96	\$0.00	Long-Term Debt	\$338,215,000
		Total Assets	\$2,422,201,000
		Intangible Assets	\$0
		Total Liabilities	\$1,137,676,000
		Shares Outstanding (Diluted Average)	69,713,000





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

[Abercrombie & Fitch Company Analysis – Initial Coverage \\$ANF](#)

Other ModernGraham posts about related companies

[Nike Inc. Valuation – November 2015 Update \\$NKE](#)
[American Eagle Outfitters Valuation – November 2015 Update \\$AEO](#)
[Hanesbrands Inc. Valuation – November 2015 Update \\$HBI](#)
[Under Armour Inc Valuation – October 2015 Update \\$UA](#)
[Michael Kors Holdings Limited Analysis – October 2015 Update \\$KORS](#)
[Wolverine World Wide Inc. Analysis – September 2015 Update \\$WWW](#)
[Ralph Lauren Corporation Analysis – September 2015 Update \\$RL](#)
[Gap Inc Analysis – September 2015 Update \\$GPS](#)
[VF Corporation Analysis – September 2015 Update \\$VFC](#)
[L Brands Inc. Analysis – August 2015 Update \\$LB](#)