

ModernGraham Valuation

Company Name:

Kohl's Corporation

Company Ticker

KSS

Date of Analysis

11/18/2015



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	\$8,633,757,268	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.57	Fail
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	5.94%	Fail
5. Earnings Growth	PEmg < 20	13.03	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.59	Pass
7. Moderate Price to Assets			

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	1.57	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.04	Fail
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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.41
MG Growth Estimate	-1.02%
MG Value	\$22.02
MG Value based on 3% Growth	\$49.40
MG Value based on 0% Growth	\$28.96
Market Implied Growth Rate	2.27%

MG Opinion

Current Price	\$44.39
% of Intrinsic Value	201.58%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$16.43
Graham Number	\$34.28
PEmg	13.03
Current Ratio	1.57
PB Ratio	1.59
Dividend Yield	3.78%
Number of Consecutive Years of Dividend Growth	5

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	\$1.87	Next Fiscal Year Estimate	\$3.41
Jan15	\$4.24	Jan15	\$4.14
Jan14	\$4.05	Jan14	\$4.02
Jan13	\$4.17	Jan13	\$3.88
Jan12	\$4.30	Jan12	\$3.65
Jan11	\$3.66	Jan11	\$3.32
Jan10	\$3.17	Jan10	\$3.11
Jan09	\$2.89	Jan09	\$2.99
Jan08	\$3.39	Jan08	\$2.88
Jan07	\$3.31	Jan07	\$2.49
Jan06	\$2.43	Jan06	\$2.02
Jan05	\$2.04	Jan05	\$1.74
Jan04	\$1.59	Jan04	\$1.51
Jan03	\$1.85	Jan03	\$1.37
Jan02	\$1.45	Jan02	\$1.02
Jan01	\$1.10	Jan01	\$0.74
Jan00	\$0.77	Jan00	\$0.52
Jan99	\$0.59	Balance Sheet Information Oct15	
Jan98	\$0.23	Total Current Assets	\$6,203,000,000
Jan97	\$0.34	Total Current Liabilities	\$3,939,000,000
Jan96	\$0.25	Long-Term Debt	\$4,609,000,000
		Total Assets	\$14,898,000,000
		Intangible Assets	\$0
		Total Liabilities	\$9,424,000,000
		Shares Outstanding (Diluted Average)	196,000,000





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:

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ModernGraham
posts about the
company

[The Best Companies of the Retail Industry – August 2015](#)
[15 Best Stocks For Value Investors This Week – 8/22/15](#)
[Kohl's Corporation Analysis – August 2015 Update \\$KSS](#)
[30 Companies in the Spotlight This Week – 5/23/15](#)
[Kohl's Corporation Quarterly Valuation – May 2015 \\$KSS](#)

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[Tractor Supply Company Valuation – October 2015 Update \\$TSCO](#)
[Coach Inc. Valuation – October 2015 Update \\$COH](#)
[Dollar Tree Stores Inc. Valuation – October 2015 Update \\$DLTR](#)
[TJX Companies Inc. Valuation – October 2015 Update \\$TJX](#)
[Tiffany and Company Valuation – October 2015 Update \\$TIF](#)
[Urban Outfitters Inc. Analysis – October 2015 Update \\$URBN](#)
[Staples Inc. Analysis – September 2015 Update \\$SPLS](#)
[Fossil Group Inc. Analysis – September 2015 Update \\$FOSL](#)