

# ModernGraham Valuation

Company Name:

Urban Outfitters, Inc.

Company Ticker

URBN

Date of Analysis

1/6/2016



## 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	\$2,640,672,520	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.24	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	88.57%	Pass
5. Earnings Growth	PEmg < 20	12.95	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.31	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	2.24	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.25	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

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.69
MG Growth Estimate	4.55%
<b>MG Value</b>	<b>\$29.75</b>
MG Value based on 3% Growth	\$24.52
MG Value based on 0% Growth	\$14.38
Market Implied Growth Rate	2.22%

### MG Opinion

Current Price	\$21.90
% of Intrinsic Value	73.61%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.15
Graham Number	\$19.07
PEmg	12.95
Current Ratio	2.24
PB Ratio	2.31
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.71	Next Fiscal Year Estimate	\$1.69
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	\$0.32
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	<b>Balance Sheet Information Oct15</b>	
Jan98	\$0.10	Total Current Assets	\$847,226,000
Jan97	\$0.09	Total Current Liabilities	\$377,887,000
Jan96	\$0.09	Long-Term Debt	\$115,000,000
		Total Assets	\$1,876,535,000
		Intangible Assets	\$0
		Total Liabilities	\$704,866,000
		Shares Outstanding (Diluted Average)	123,726,000





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

[13 Best Stocks For Value Investors This Week – 10/3/15](#)  
[Urban Outfitters Inc. Analysis – October 2015 Update \\$URBN](#)  
[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](#)

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posts about related  
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[Ross Stores Inc Valuation – December 2015 Update \\$ROST](#)  
[Bed Bath & Beyond Inc. Valuation – November 2015 Update \\$BBBY](#)  
[Kohl's Corporation Valuation – November 2015 Update \\$KSS](#)  
[Aaron's Inc. Valuation – October 2015 Update \\$AAN](#)  
[Nordstrom Inc. Valuation – October 2015 Update \\$JWN](#)  
[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](#)