

# ModernGraham Valuation

Company Name:

Ross Stores, Inc.

Company Ticker ROST

Date of Analysis

6/21/2016



## 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	\$21,892,914,341	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.50	Fail
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	275.55%	Pass
6. Moderate PEmg Ratio	PEmg < 20	23.37	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	8.61	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	1.50	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.45	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.35
MG Growth Estimate	10.92%
<b>MG Value</b>	<b>\$71.19</b>
MG Value based on 3% Growth	\$34.03
MG Value based on 0% Growth	\$19.95
Market Implied Growth Rate	7.44%

### MG Opinion

Current Price	\$54.85
% of Intrinsic Value	77.05%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>B</b>

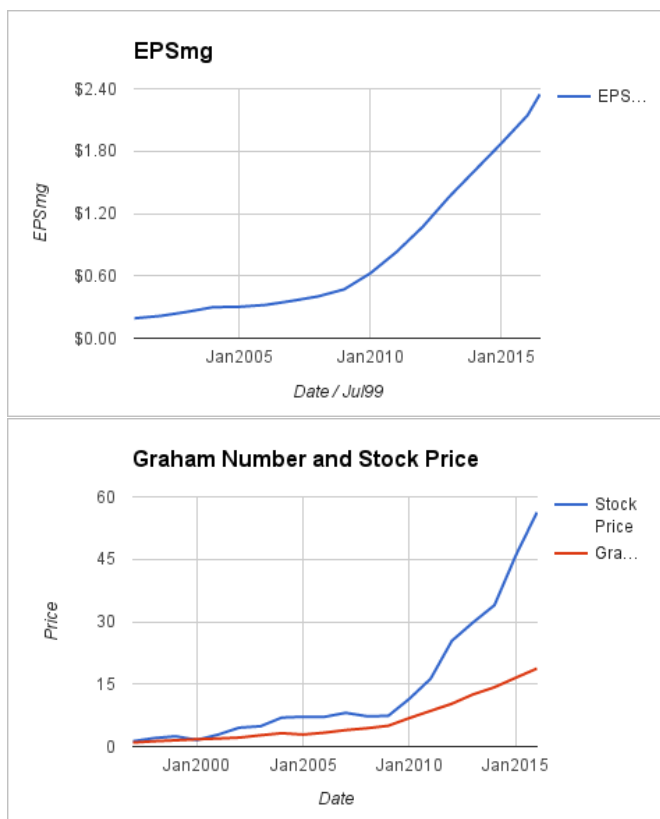
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$0.14
Graham Number	\$19.15
PEmg	23.37
Current Ratio	1.50
PB Ratio	8.61
Current Dividend	\$0.49
Dividend Yield	0.89%
Number of Consecutive Years of Dividend Growth	20

### 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>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.58	Next Fiscal Year Estimate	\$2.35
Jan2016	\$2.51	Jan2016	\$2.14
Jan2015	\$2.21	Jan2015	\$1.87
Jan2014	\$1.94	Jan2014	\$1.62
Jan2013	\$1.77	Jan2013	\$1.36
Jan2012	\$1.43	Jan2012	\$1.07
Jan2011	\$1.16	Jan2011	\$0.83
Jan2010	\$0.89	Jan2010	\$0.62
Jan2009	\$0.58	Jan2009	\$0.47
Jan2008	\$0.48	Jan2008	\$0.40
Jan2007	\$0.43	Jan2007	\$0.36
Jan2006	\$0.34	Jan2006	\$0.32
Jan2005	\$0.28	Jan2005	\$0.30
Jan2004	\$0.37	Jan2004	\$0.30
Jan2003	\$0.32	Jan2003	\$0.25
Jan2002	\$0.24	Jan2002	\$0.21
Jan2001	\$0.23	Jan2001	\$0.19
Jan2000	\$0.21	<b>Balance Sheet Information 4/1/2016</b>	
Jan1999	\$0.18	Total Current Assets	\$2,629,123,000
Jan1998	\$0.15	Total Current Liabilities	\$1,750,896,000
Jan1997	\$0.10	Long-Term Debt	\$396,142,000
		Total Assets	\$5,114,177,000
		Intangible Assets	\$0
		Total Liabilities	\$2,574,736,000
		Shares Outstanding (Diluted Average)	398,812,000



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

[Dividend Growth Stocks for Intelligent Investors – February 2016](#)  
[13 Best Stocks For Value Investors This Week – 12/12/15](#)  
[Ross Stores Inc Valuation – December 2015 Update \\$ROST](#)  
[Dividend Growth Stocks for the Intelligent Investor – November 2015](#)  
[Dividend Growth Stocks for the Intelligent Investor – October 2015](#)

Other  
ModernGraham  
posts about related  
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[Bed Bath & Beyond Inc Valuation – June 2016 \\$BBBY](#)  
[Wal-Mart Stores Inc Valuation – May 2016 \\$WMT](#)  
[Aaron's Inc Valuation – May 2016 \\$AAN](#)  
[Nordstrom Inc Valuation – May 2016 \\$JWN](#)  
[Tractor Supply Company Valuation – May 2016 \\$TSCO](#)  
[Fossil Group Inc Stock Valuation – February 2016 \\$FOSL](#)  
[TJX Companies Inc Valuation – February 2016 Update \\$TJX](#)  
[Coach Inc Valuation – February 2016 Update \\$COH](#)  
[Tiffany & Company Valuation – February 2016 Update \\$TIF](#)  
[Urban Outfitters Inc Valuation – January 2016 Update \\$URBN](#)