

ModernGraham Valuation

Company Name:

Urban Outfitters, Inc.

Company Ticker URBN

Date of Analysis

7/19/2016



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	\$3,473,168,030	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.36	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	54.87%	Pass
5. Earnings Growth	PEmg < 20	16.53	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.93	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	2.36	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.16	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.77
MG Growth Estimate	3.59%
MG Value	\$27.71
MG Value based on 3% Growth	\$25.63
MG Value based on 0% Growth	\$15.02
Market Implied Growth Rate	4.01%

MG Opinion

Current Price	\$29.21
% of Intrinsic Value	105.40%
Opinion	Fairly Valued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.43
Graham Number	\$20.09
PEmg	16.53
Current Ratio	2.36
PB Ratio	2.93
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.79	Next Fiscal Year Estimate	\$1.77
Jan2016	\$1.78	Jan2016	\$1.71
Jan2015	\$1.68	Jan2015	\$1.65
Jan2014	\$1.89	Jan2014	\$1.60
Jan2013	\$1.62	Jan2013	\$1.43
Jan2012	\$1.19	Jan2012	\$1.30
Jan2011	\$1.60	Jan2011	\$1.28
Jan2010	\$1.28	Jan2010	\$1.07
Jan2009	\$1.17	Jan2009	\$0.92
Jan2008	\$0.94	Jan2008	\$0.74
Jan2007	\$0.69	Jan2007	\$0.60
Jan2006	\$0.77	Jan2006	\$0.49
Jan2005	\$0.54	Jan2005	\$0.31
Jan2004	\$0.30	Jan2004	\$0.19
Jan2003	\$0.18	Jan2003	\$0.13
Jan2002	\$0.11	Jan2002	\$0.10
Jan2001	\$0.08	Jan2001	\$0.10
Jan2000	\$0.13	Balance Sheet Information 4/1/2016	
Jan1999	\$0.11	Total Current Assets	\$809,531,000
Jan1998	\$0.10	Total Current Liabilities	\$342,361,000
Jan1997	\$0.09	Long-Term Debt	\$75,000,000
		Total Assets	\$1,814,894,000
		Intangible Assets	\$0
		Total Liabilities	\$640,841,000
		Shares Outstanding (Diluted Average)	117,587,000





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.

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