

ModernGraham Valuation

Company Name:

Chico's FAS, Inc.

Company Ticker

CHS

Date of Analysis

12/19/2016



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	\$1,990,847,808	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.62	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	29.49%	Fail
5. Earnings Growth	PEmg < 20	38.68	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.28	Fail
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	1.62	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.42	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		Fail

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.41
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$5.90
MG Value based on 0% Growth	\$3.46
Market Implied Growth Rate	15.09%

MG Opinion

Current Price	\$15.73
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

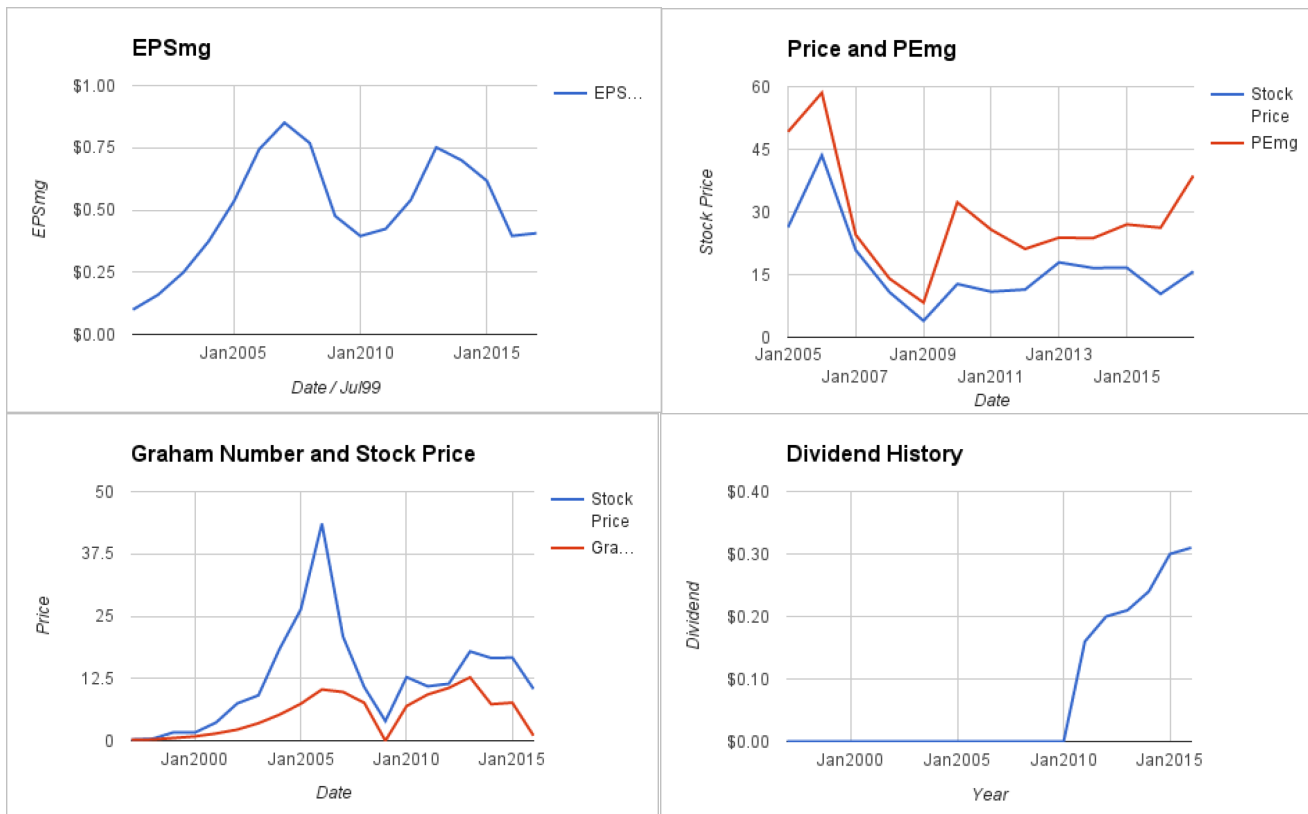
Net Current Asset Value (NCAV)	-\$0.24
Graham Number	\$7.91
PEmg	38.68
Current Ratio	1.62
PB Ratio	3.28
Current Dividend	\$0.32
Dividend Yield	2.02%
Number of Consecutive Years of Dividend Growth	7

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		Next Fiscal Year Estimate	
Jan2016	\$0.01	Jan2016	\$0.40
Jan2015	\$0.42	Jan2015	\$0.62
Jan2014	\$0.41	Jan2014	\$0.70
Jan2013	\$1.08	Jan2013	\$0.75
Jan2012	\$0.82	Jan2012	\$0.54
Jan2011	\$0.64	Jan2011	\$0.42
Jan2010	\$0.39	Jan2010	\$0.40
Jan2009	-\$0.11	Jan2009	\$0.48
Jan2008	\$0.50	Jan2008	\$0.77
Jan2007	\$0.93	Jan2007	\$0.85
Jan2006	\$1.06	Jan2006	\$0.74
Jan2005	\$0.78	Jan2005	\$0.54
Jan2004	\$0.57	Jan2004	\$0.37
Jan2003	\$0.39	Jan2003	\$0.25
Jan2002	\$0.25	Jan2002	\$0.16
Jan2001	\$0.17	Jan2001	\$0.10
Jan2000	\$0.10	Balance Sheet Information 10/1/2016	
Jan1999	\$0.06	Total Current Assets	\$460,640,000
Jan1998	\$0.02	Total Current Liabilities	\$284,238,000
Jan1997	\$0.01	Long-Term Debt	\$74,768,000
		Total Assets	\$1,110,313,000
		Intangible Assets	\$135,704,000
		Total Liabilities	\$491,174,000
		Shares Outstanding (Diluted Average)	128,996,000





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

#N/A

Other
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[Ralph Lauren Corp Valuation – August 2016 \\$SRL](#)
[Gap Inc Valuation – August 2016 \\$GPS](#)
[PVH Corp Valuation – August 2016 \\$PVH](#)
[American Eagle Outfitters Valuation – August 2016 \\$AEO](#)
[Hanesbrands Inc Valuation – August 2016 \\$HBI](#)
[VF Corp Valuation – August 2016 \\$VFC](#)
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