ModernGraham Valuation

Company Name:

Steven Madden, Ltd.



Company Ticker Date of Analysis

1/8/2017

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.

SHOO

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$2,097,632,986 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.63 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	216.99% Pass
Moderate PEmg Ratio	PEmg < 20	18.46 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.85 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	2.63	Pass
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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 No Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.88
MG Growth Estimate	5.46%
MG Value	\$36.50
MG Value based on 3% Growth	\$27.26
MG Value based on 0% Growth	\$15.98
Market Implied Growth Rate	4.98%

MG Opinion

 Current Price
 \$34.70

 % of Intrinsic Value
 95.06%

Opinion Fairly Valued MG Grade C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.50
Graham Number	\$22.88
PEmg	18.46
Current Ratio	2.63
PB Ratio	2.85
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	
Growth	0

 Useful Links:
 ModernGraham tagged articles
 Morningstar

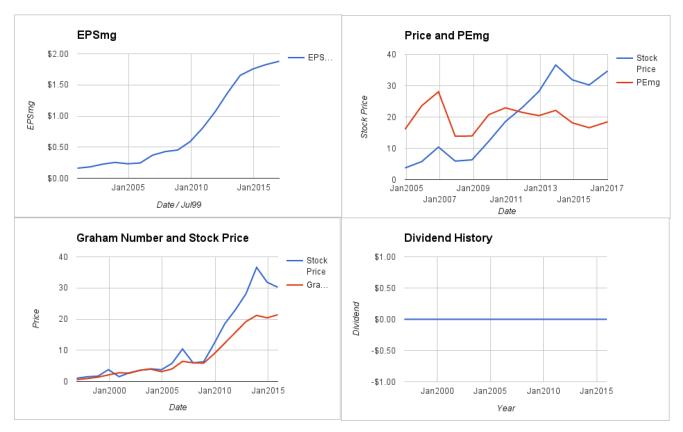
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year		<u>.</u>	
Estimate	*****	Next Fiscal Year Estimate	\$1.88
Dec2015	\$1.85	Dec2015	\$1.82
Dec2014	\$1.76	Dec2014	\$1.76
Dec2013	\$1.98	Dec2013	\$1.65
Dec2012	\$1.81	Dec2012	\$1.38
Dec2011	\$1.50	Dec2011	\$1.07
Dec2010	\$1.19	Dec2010	\$0.81
Dec2009	\$0.81	Dec2009	\$0.59
Dec2008	\$0.45	Dec2008	\$0.45
Dec2007	\$0.50	Dec2007	\$0.43
Dec2006	\$0.62	Dec2006	\$0.37
Dec2005	\$0.27	Dec2005	\$0.24
Dec2004	\$0.17	Dec2004	\$0.23
Dec2003	\$0.29	Dec2003	\$0.25
Dec2002	\$0.29	Dec2002	\$0.23
Dec2001	\$0.19	Dec2001	\$0.18
Dec2000	\$0.25	Dec2000	\$0.16
Dec1999	\$0.18	Balance Sheet Information	9/1/2016
Dec1998	\$0.10	Total Current Assets	\$520,255,000
Dec1997	\$0.06	Total Current Liabilities	\$197,771,000
Dec1996	\$0.03	Long-Term Debt	\$0
		Total Assets	\$976,368,000
		Intangible Assets	\$282,920,000
		Total Liabilities	\$253,005,000
		Shares Outstanding (Diluted Average)	59,329,000





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 ModernGraham posts about related companies <u>American Eagle Outfitters Valuation – January 2017 \$AEO</u>

Chico's FAS Inc Valuation - Initial Coverage \$CHS

<u>Hanesbrands Inc Valuation – December 2016 \$HBI</u>

Nike Inc Valuation - November 2016 \$NKE

Wolverine World Wide Inc Valuation – September 2016 \$WWW

Ralph Lauren Corp Valuation - August 2016 \$RL

Gap Inc Valuation – August 2016 \$GPS

PVH Corp Valuation – August 2016 \$PVH

American Eagle Outfitters Valuation – August 2016 \$AEO

<u>Hanesbrands Inc Valuation – August 2016 \$HBI</u>