

# ModernGraham Valuation

Company Name:

Stage Stores Inc

Company Ticker SSI

Date of Analysis

2/20/2017



## 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.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$75,430,788	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.36	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-52.86%	Fail
6. Moderate PEmg Ratio	PEmg < 20	47.71	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.18	Pass

*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	0.63	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.06
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$1.34</b>
MG Value based on 3% Growth	\$0.80
MG Value based on 0% Growth	\$0.47
Market Implied Growth Rate	19.61%

### MG Opinion

Current Price	\$2.64
% of Intrinsic Value	197.68%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.34
Graham Number	\$0.00
PEmg	47.71
Current Ratio	2.36
PB Ratio	0.18
Current Dividend	\$0.60
Dividend Yield	22.73%
Number of Consecutive Years of Dividend Growth	7

### 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	-0.95	Next Fiscal Year Estimate	\$0.06
Jan2016	\$0.12	Jan2016	\$0.62
Jan2015	\$0.96	Jan2015	\$0.88
Jan2014	\$0.51	Jan2014	\$0.85
Jan2013	\$1.19	Jan2013	\$0.83
Jan2012	\$0.92	Jan2012	\$0.58
Jan2011	\$0.99	Jan2011	\$0.44
Jan2010	\$0.75	Jan2010	\$0.29
Jan2009	-\$1.71	Jan2009	\$0.26
Jan2008	\$1.24	Jan2008	\$1.23
Jan2007	\$1.25	Jan2007	\$1.22
Jan2006	\$1.27	Jan2006	\$1.15
Jan2005	\$1.15	Jan2005	\$0.82
Jan2004	\$1.18	Jan2004	\$0.15
Jan2003	\$1.14	Jan2003	-\$0.60
Jan2002	\$0.49	Jan2002	-\$1.39
Jan2001	-\$2.56	Jan2001	-\$2.00
Jan2000	-\$4.47	<b>Balance Sheet Information</b>	<b>10/1/2016</b>
Jan1999	\$0.06	Total Current Assets	\$648,528,000
Jan1998	\$0.27	Total Current Liabilities	\$275,121,000
Jan1997	-\$0.08	Long-Term Debt	\$236,592,000
		Total Assets	\$1,002,339,000
		Intangible Assets	\$15,235,000
		Total Liabilities	\$612,262,000
		Shares Outstanding (Diluted Average)	27,155,000





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

- [Kate Spade & Co Valuation – Initial Coverage \\$KATE](#)
- [Gap Inc Valuation – January 2017 \\$GPS](#)
- [PVH Corp Valuation – January 2017 \\$PVH](#)
- [Steve Madden Ltd Valuation – Initial Coverage \\$SHOO](#)
- [American Eagle Outfitters Valuation – January 2017 \\$AEO](#)
- [Chico's FAS Inc Valuation – Initial Coverage \\$CHS](#)
- [Hanesbrands Inc Valuation – December 2016 \\$HBI](#)
- [Nike Inc Valuation – November 2016 \\$NKE](#)
- [Wolverine World Wide Inc Valuation – September 2016 \\$WWW](#)
- [Ralph Lauren Corp Valuation – August 2016 \\$RL](#)