

# ModernGraham Valuation

Company Name:

Kohl's Corporation

Company Ticker KSS

Date of Analysis

3/1/2017



## 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	\$7,205,242,652	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.76	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	2.47%	Fail
6. Moderate PEmg Ratio	PEmg < 20	12.03	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.42	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	1.76	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.23	Fail
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
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.49
MG Growth Estimate	-1.99%
<b>MG Value</b>	<b>\$15.73</b>
MG Value based on 3% Growth	\$50.56
MG Value based on 0% Growth	\$29.64
Market Implied Growth Rate	1.77%

### MG Opinion

Current Price	\$41.95
% of Intrinsic Value	266.70%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$18.00
Graham Number	\$47.50
PEmg	12.03
Current Ratio	1.76
PB Ratio	1.42
Current Dividend	\$2.00
Dividend Yield	4.77%
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	\$3.39	Next Fiscal Year Estimate	\$3.49
Jan2017	\$3.11	Jan2017	\$3.63
Jan2016	\$3.46	Jan2016	\$3.94
Jan2015	\$4.24	Jan2015	\$4.14
Jan2014	\$4.05	Jan2014	\$4.02
Jan2013	\$4.17	Jan2013	\$3.88
Jan2012	\$4.30	Jan2012	\$3.65
Jan2011	\$3.66	Jan2011	\$3.32
Jan2010	\$3.17	Jan2010	\$3.11
Jan2009	\$2.89	Jan2009	\$2.99
Jan2008	\$3.39	Jan2008	\$2.88
Jan2007	\$3.31	Jan2007	\$2.49
Jan2006	\$2.43	Jan2006	\$2.02
Jan2005	\$2.04	Jan2005	\$1.74
Jan2004	\$1.59	Jan2004	\$1.51
Jan2003	\$1.85	Jan2003	\$1.37
Jan2002	\$1.45	Jan2002	\$1.02
Jan2001	\$1.10	<b>Balance Sheet Information</b>	<b>1/1/2017</b>
Jan2000	\$0.77	Total Current Assets	\$5,247,000,000
Jan1999	\$0.59	Total Current Liabilities	\$2,974,000,000
Jan1998	\$0.23	Long-Term Debt	\$2,795,000,000
		Total Assets	\$13,574,000,000
		Intangible Assets	\$0
		Total Liabilities	\$8,397,000,000
		Shares Outstanding (Diluted Average)	175,000,000





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

- [Kohl's Corporation Valuation – November 2015 Update \\$KSS](#)
- [The Best Companies of the Retail Industry – August 2015](#)
- [15 Best Stocks For Value Investors This Week – 8/22/15](#)
- [Kohl's Corporation Analysis – August 2015 Update \\$KSS](#)
- [30 Companies in the Spotlight This Week – 5/23/15](#)

Other  
ModernGraham  
posts about related  
companies

- [Kirkland's Inc Valuation – Initial Coverage \\$KIRK](#)
- [Dollar Tree Inc Valuation – February 2017 \\$DLTR](#)
- [Staples Inc Valuation – February 2017 \\$SPLS](#)
- [Stein Mart Inc Valuation – Initial Coverage \\$SMRT](#)
- [J C Penney Company Inc Valuation – Initial Coverage \\$JCP](#)
- [TJX Companies Inc Valuation – December 2016 \\$TJX](#)
- [Shoe Carnival Inc Valuation – Initial Coverage \\$SCVL](#)
- [Aaron's Inc Valuation – November 2016 \\$AAN](#)
- [Tractor Supply Company Valuation – August 2016 \\$TSCO](#)
- [Fossil Group Inc Valuation – August 2016 \\$FOSL](#)