

ModernGraham Valuation

Abercrombie & Fitch
Co.



Company Name:

Company Ticker ANF

Date of Analysis

5/17/2018

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	\$1,751,322,954	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.49	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
5. Earnings Growth		-88.32%	Fail
6. Moderate PEmg Ratio	PEmg < 20	117.40	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.58	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	2.49	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.33	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 Score		Fail

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.23
MG Growth Estimate	-4.25%
MG Value	\$2.50
MG Value based on 3% Growth	\$3.34
MG Value based on 0% Growth	\$1.96
Market Implied Growth Rate	54.45%

MG Opinion

Current Price	\$27.08
% of Intrinsic Value	1084.41%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.50
Graham Number	\$9.62
PEmg	117.40
Current Ratio	2.49
PB Ratio	1.58
Current Dividend	\$0.80
Dividend Yield	2.95%
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 Estimate	\$0.23	Next Fiscal Year Estimate	\$0.23
Jan2018	\$0.10	Jan2018	\$0.29
Jan2017	\$0.06	Jan2017	\$0.58
Jan2016	\$0.51	Jan2016	\$0.98
Jan2015	\$0.71	Jan2015	\$1.32
Jan2014	\$0.69	Jan2014	\$1.54
Jan2013	\$2.85	Jan2013	\$1.93
Jan2012	\$1.61	Jan2012	\$1.75
Jan2011	\$1.73	Jan2011	\$2.19
Jan2010	\$0.00	Jan2010	\$2.71
Jan2009	\$3.05	Jan2009	\$3.96
Jan2008	\$5.20	Jan2008	\$4.13
Jan2007	\$4.59	Jan2007	\$3.37
Jan2006	\$3.66	Jan2006	\$2.61
Jan2005	\$2.28	Jan2005	\$2.03
Jan2004	\$2.06	Jan2004	\$1.84
Jan2003	\$1.98	Jan2003	\$1.66
Jan2002	\$1.65	Balance Sheet Information 11/2018	
Jan2001	\$1.55	Total Current Assets	\$1,264,538,000
Jan2000	\$1.39	Total Current Liabilities	\$507,546,000
Jan1999	\$0.96	Long-Term Debt	\$249,686,000
		Total Assets	\$2,325,692,000
		Intangible Assets	\$26,147,000
		Total Liabilities	\$1,083,313,000
		Shares Outstanding (Diluted Average)	72,571,000





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

- [Abercrombie & Fitch Co Valuation – March 2017 \\$ANF](#)
- [Abercrombie & Fitch Co Valuation – November 2015 Update \\$ANF](#)
- [Abercrombie & Fitch Company Analysis – Initial Coverage \\$ANF](#)

Other ModernGraham posts about related companies

- [Gap Inc Valuation – May 2018 \\$GPS](#)
- [PVH Corp Valuation – May 2018 \\$PVH](#)
- [VF Corp Valuation – April 2018 \\$VFC](#)
- [Michael Kors Holdings Ltd Valuation – March 2018 \\$KORS](#)
- [Foot Locker Inc Valuation – March 2018 \\$FL](#)
- [Under Armour Inc Valuation – March 2018 \\$UA](#)
- [Hanesbrands Inc Valuation – March 2018 \\$HBI](#)
- [L Brands Inc Valuation – March 2018 \\$LB](#)
- [Nike Inc Valuation – February 2018 \\$NKE](#)
- [Nike Inc Valuation – July 2017 \\$NKE](#)