

# ModernGraham Valuation

Company Name:

Chico's FAS, Inc.

Company Ticker CHS

Date of Analysis

5/16/2018



## 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	\$1,382,209,368	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.93	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	17.30%	Fail
5. Earnings Growth	PEmg < 20	17.70	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.05	Pass
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	1.93	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.22	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.61
MG Growth Estimate	-0.23%
<b>MG Value</b>	<b>\$4.89</b>
MG Value based on 3% Growth	\$8.82
MG Value based on 0% Growth	\$5.17
Market Implied Growth Rate	4.60%

### MG Opinion

Current Price	\$10.76
% of Intrinsic Value	219.94%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C+</b>

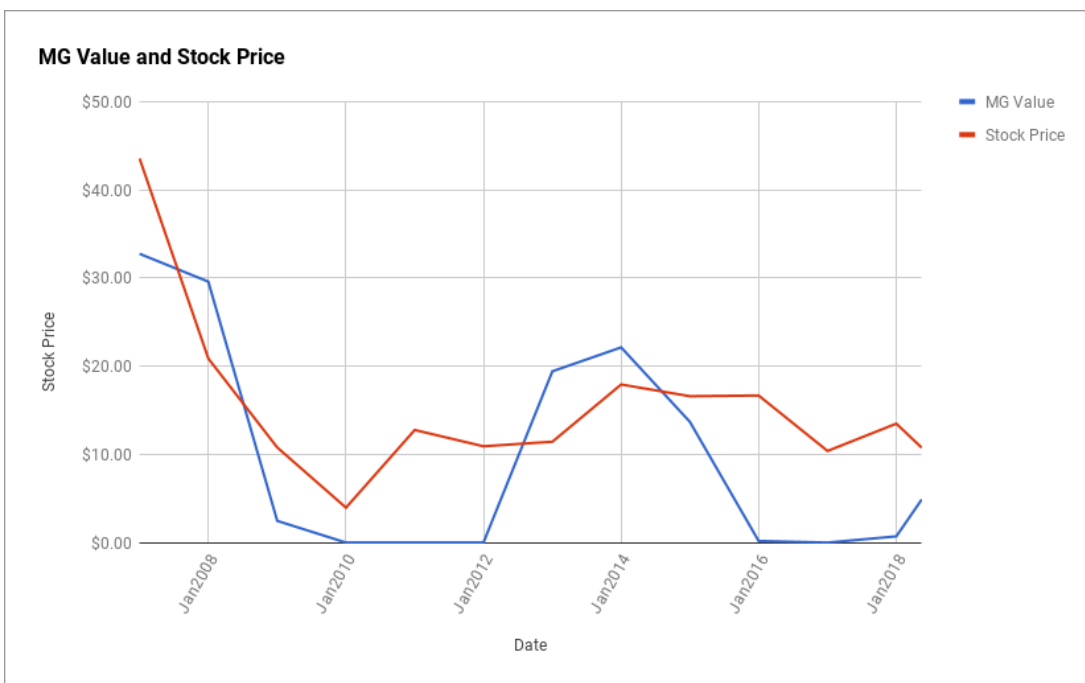
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$0.67
Graham Number	\$9.01
PEmg	17.70
Current Ratio	1.93
PB Ratio	2.05
Current Dividend	\$0.33
Dividend Yield	3.07%
Number of Consecutive Years of Dividend Growth	8

### 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		Next Fiscal Year Estimate	
Jan2018	\$0.69	Jan2018	\$0.61
Jan2017	\$0.79	Jan2017	\$0.53
Jan2016	\$0.69	Jan2016	\$0.44
Jan2015	\$0.01	Jan2015	\$0.40
Jan2014	\$0.42	Jan2014	\$0.62
Jan2013	\$0.41	Jan2013	\$0.70
Jan2012	\$1.08	Jan2012	\$0.75
Jan2011	\$0.82	Jan2011	\$0.54
Jan2010	\$0.64	Jan2010	\$0.42
Jan2009	\$0.39	Jan2009	\$0.40
Jan2008	-\$0.11	Jan2008	\$0.48
Jan2007	\$0.50	Jan2007	\$0.77
Jan2006	\$0.93	Jan2006	\$0.85
Jan2005	\$1.06	Jan2006	\$0.74
Jan2004	\$0.78	Jan2005	\$0.54
Jan2003	\$0.57	Jan2004	\$0.37
Jan2002	\$0.39	Jan2003	\$0.25
Jan2001	\$0.25	<b>Balance Sheet Information</b>	
Jan2000	\$0.17	<b>1/1/2018</b>	
Jan2000	\$0.10	Total Current Assets	\$514,525,000
Jan1999	\$0.06	Total Current Liabilities	\$266,968,000
		Long-Term Debt	\$53,601,000
		Total Assets	\$1,087,605,000
		Intangible Assets	\$135,704,000
		Total Liabilities	\$431,223,000
		Shares Outstanding (Diluted Average)	124,839,000





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 [Chico's FAS Inc Valuation – Initial Coverage \\$CHS](#)

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](#)