

ModernGraham Valuation

Company Name:

Crocs, Inc.

Company Ticker CROX

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 | \$1,081,267,577 | Fail |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 2.46 | Pass |
| 3. Earnings Stability | Positive EPS for 10 years prior | | Fail |
| 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 | -117.88% | Fail |
| 5. Earnings Growth | PEmg < 20 | -75.69 | Fail |
| 6. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 6.39 | Fail |
| 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 | 2.46 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 0.00 | Pass |
| 3. Earnings Stability | Positive EPS for 5 years prior | | Fail |
| 4. Dividend Record | Currently Pays Dividend | | Fail |
| 5. Earnings Growth | EPSmg greater than 5 years ago Score | | Fail |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|---------------|
| EPSmg | -\$0.22 |
| MG Growth Estimate | -4.25% |
| MG Value | \$1.04 |
| MG Value based on 3% Growth | -\$3.13 |
| MG Value based on 0% Growth | -\$1.84 |
| Market Implied Growth Rate | -42.10% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$16.35 |
| % of Intrinsic Value | 1575.60% |
| Opinion | Overvalued |
| MG Grade | D |

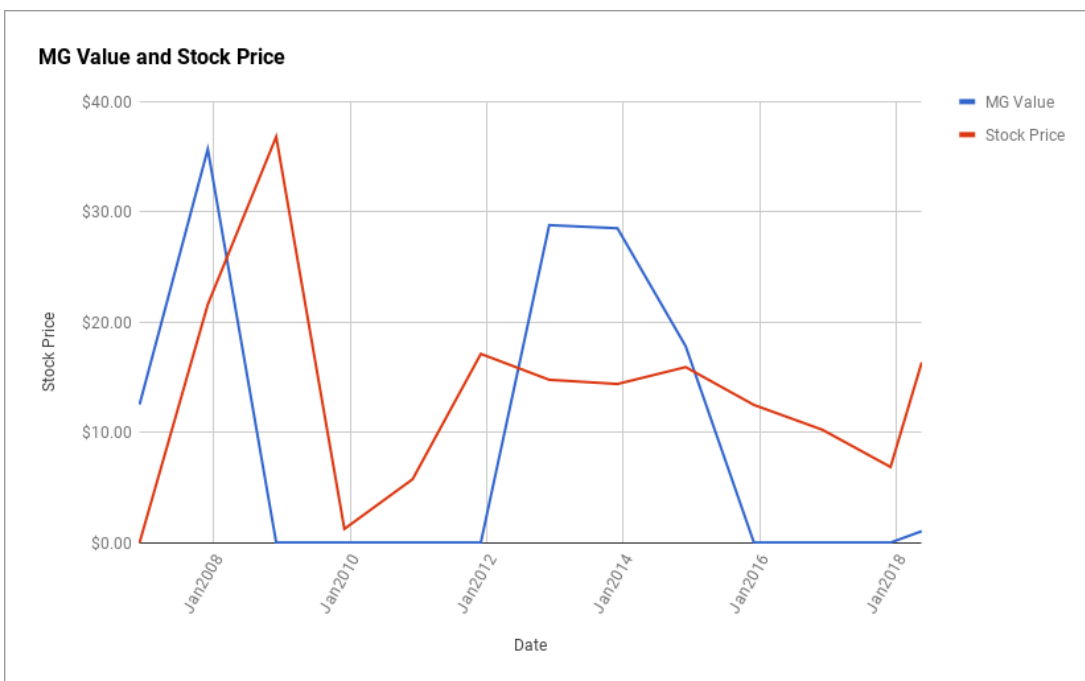
Stage 3: Information for Further Research

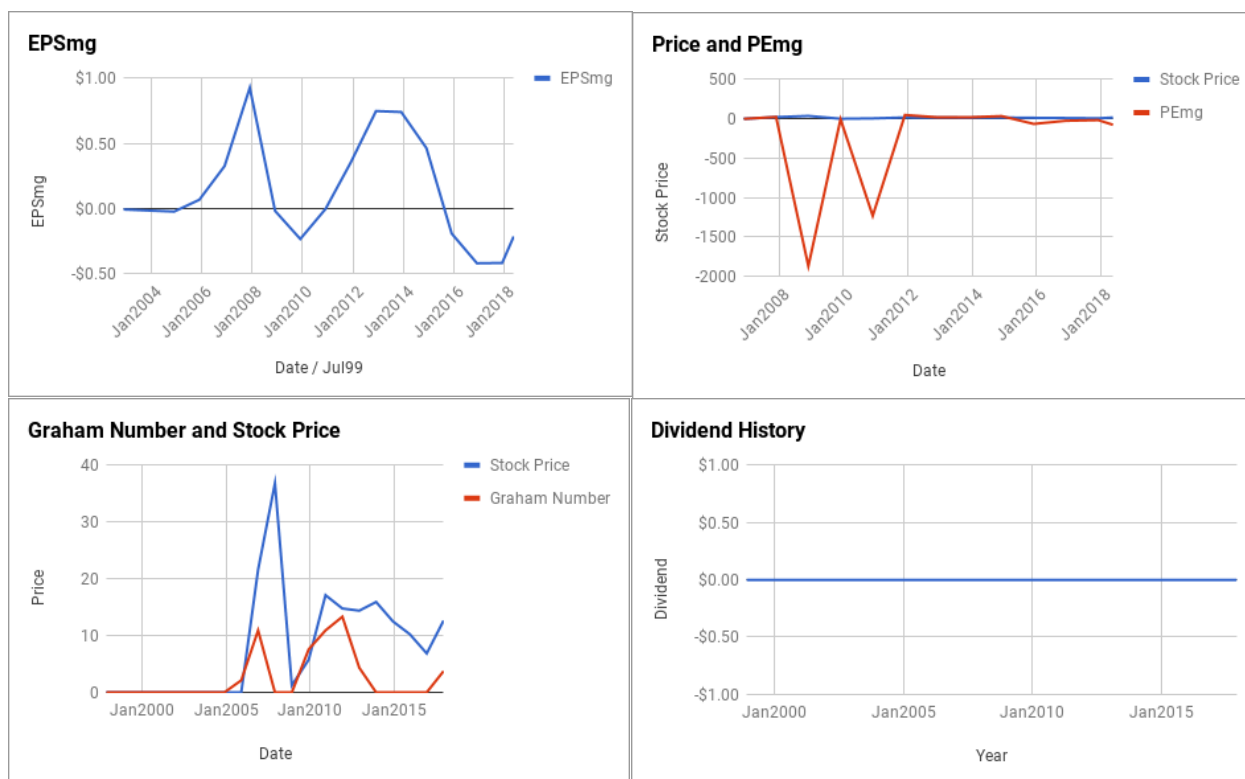
| | |
|------------------------------------------------|--------|
| Net Current Asset Value (NCAV) | \$1.04 |
| Graham Number | \$3.74 |
| PEmg | -75.69 |
| Current Ratio | 2.46 |
| PB Ratio | 6.39 |
| Current Dividend | \$0.00 |
| Dividend Yield | 0.00% |
| Number of Consecutive Years of Dividend Growth | 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 Estimate | | Next Fiscal Year Estimate | |
| | \$0.23 | | -\$0.22 |
| Dec2017 | -\$0.07 | Dec2017 | -\$0.42 |
| Dec2016 | -\$0.43 | Dec2016 | -\$0.42 |
| Dec2015 | -\$1.30 | Dec2015 | -\$0.19 |
| Dec2014 | -\$0.22 | Dec2014 | \$0.46 |
| Dec2013 | \$0.12 | Dec2013 | \$0.74 |
| Dec2012 | \$1.44 | Dec2012 | \$0.75 |
| Dec2011 | \$1.24 | Dec2011 | \$0.35 |
| Dec2010 | \$0.76 | Dec2010 | \$0.00 |
| Dec2009 | -\$0.49 | Dec2009 | -\$0.24 |
| Dec2008 | -\$2.24 | Dec2008 | -\$0.02 |
| Dec2007 | \$2.00 | Dec2007 | \$0.93 |
| Dec2006 | \$0.81 | Dec2006 | \$0.33 |
| Dec2005 | \$0.26 | Dec2005 | \$0.07 |
| Dec2004 | -\$0.04 | Dec2004 | -\$0.02 |
| Dec2003 | -\$0.03 | Dec2003 | -\$0.02 |
| Dec2002 | -\$0.03 | Dec2002 | -\$0.01 |
| Dec2001 | \$0.00 | Balance Sheet Information | |
| Dec2000 | \$0.00 | 3/1/2018 | |
| Dec1999 | \$0.00 | Total Current Assets | \$463,769,000 |
| Dec1998 | \$0.00 | Total Current Liabilities | \$188,622,000 |
| | | Long-Term Debt | \$0 |
| | | Total Assets | \$572,883,000 |
| | | Intangible Assets | \$54,757,000 |
| | | Total Liabilities | \$389,399,000 |
| | | Shares Outstanding (Diluted Average) | 71,668,000 |





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 [Crocs Inc Valuation – Initial Coverage \\$CROX](#)

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](#)