

ModernGraham Valuation

Company Name:

Company Ticker DECK

Date of Analysis

Deckers Outdoor Corp

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	\$3,189,571,985	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.25	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	-42.45%	Fail
5. Earnings Growth	PEmg < 20	41.39	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.12	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	3.25	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.04	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	\$2.43
MG Growth Estimate	-1.75%
MG Value	\$21.44
MG Value based on 3% Growth	\$35.23
MG Value based on 0% Growth	\$20.65
Market Implied Growth Rate	16.44%

MG Opinion

Current Price	\$100.55
% of Intrinsic Value	469.09%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

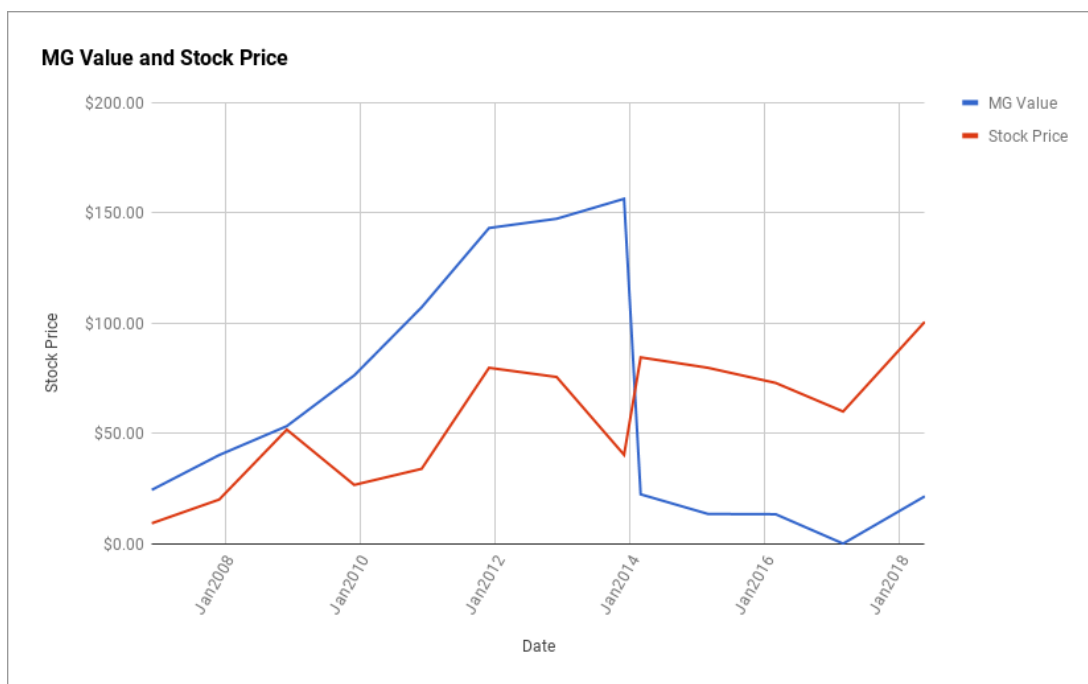
Net Current Asset Value (NCAV)	\$21.44
Graham Number	\$45.32
PEmg	41.39
Current Ratio	3.25
PB Ratio	3.12
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.06	Next Fiscal Year Estimate	\$2.43
Mar2017	\$0.18	Mar2017	\$2.26
Mar2016	\$3.70	Mar2016	\$3.26
Mar2015	\$4.66	Mar2015	\$3.19
Mar2014	\$0.00	Mar2014	\$2.75
Dec2013	\$4.18	Dec2013	\$4.06
Dec2012	\$3.45	Dec2012	\$3.83
Dec2011	\$5.07	Dec2011	\$3.72
Dec2010	\$4.03	Dec2010	\$2.78
Dec2009	\$2.96	Dec2009	\$1.98
Dec2008	\$1.87	Dec2008	\$1.38
Dec2007	\$1.69	Dec2007	\$1.04
Dec2006	\$0.79	Dec2006	\$0.63
Dec2005	\$0.81	Dec2005	\$0.47
Dec2004	\$0.68	Dec2004	\$0.27
Dec2003	\$0.26	Dec2003	\$0.07
Dec2002	-\$0.26	Dec2002	-\$0.02
Dec2001	\$0.06	Balance Sheet Information 12/1/2017	
Dec2000	\$0.25	Total Current Assets	\$1,184,899,000
Dec1999	\$0.11	Total Current Liabilities	\$364,809,000
Dec1998	-\$0.11	Long-Term Debt	\$31,656,000
		Total Assets	\$1,530,963,000
		Intangible Assets	\$73,747,000
		Total Liabilities	\$498,094,000
		Shares Outstanding (Diluted Average)	32,041,000





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.

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