

ModernGraham Valuation

Company Name:

Stage Stores Inc

Company Ticker SSI

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	\$79,686,094	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.40	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	-256.20%	Fail
5. Earnings Growth	PEmg < 20	-5.20	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.24	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	2.40	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.60	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.57
MG Growth Estimate	-4.25%
MG Value	\$1.80
MG Value based on 3% Growth	-\$8.20
MG Value based on 0% Growth	-\$4.81
Market Implied Growth Rate	-6.85%

MG Opinion

Current Price	\$2.94
% of Intrinsic Value	163.34%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

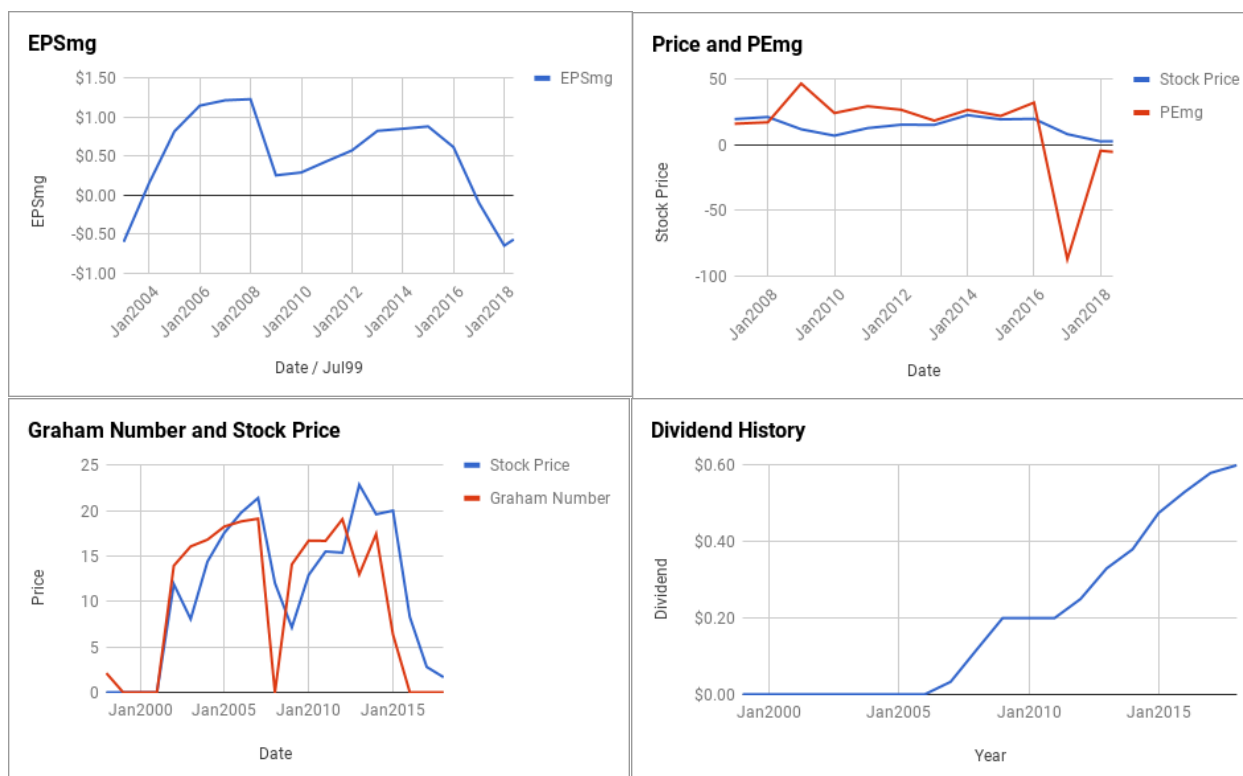
Net Current Asset Value (NCAV)	\$1.80
Graham Number	\$0.00
PEmg	-5.20
Current Ratio	2.40
PB Ratio	0.24
Current Dividend	\$0.30
Dividend Yield	10.20%
Number of Consecutive Years of Dividend Growth	0

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	
Jan2018	-\$1.37	Jan2018	-\$0.57
Jan2017	-\$1.40	Jan2017	-\$0.64
Jan2016	\$0.12	Jan2016	-\$0.10
Jan2015	\$0.96	Jan2016	\$0.62
Jan2014	\$0.51	Jan2015	\$0.88
Jan2013	\$1.19	Jan2014	\$0.85
Jan2012	\$0.92	Jan2013	\$0.83
Jan2011	\$0.99	Jan2012	\$0.58
Jan2010	\$0.75	Jan2011	\$0.44
Jan2009	-\$1.71	Jan2010	\$0.29
Jan2008	\$1.24	Jan2009	\$0.26
Jan2007	\$1.25	Jan2008	\$1.23
Jan2006	\$1.27	Jan2007	\$1.22
Jan2005	\$1.15	Jan2006	\$1.15
Jan2004	\$1.18	Jan2005	\$0.82
Jan2003	\$1.14	Jan2004	\$0.15
Jan2002	\$0.49	Jan2003	-\$0.60
Jan2001	-\$2.56	Balance Sheet Information	
Jan2000	-\$4.47	1/1/2018	
Jan1999	\$0.06	Total Current Assets	\$512,034,000
		Total Current Liabilities	\$213,418,000
		Long-Term Debt	\$180,350,000
		Total Assets	\$806,406,000
		Intangible Assets	\$17,135,000
		Total Liabilities	\$462,292,000
		Shares Outstanding (Diluted Average)	27,636,000





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

[Stage Stores Inc Valuation – Initial Coverage \\$SSI](#)

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](#)