

ModernGraham Valuation

Company Name:

Kohl's Corporation

Company Ticker KSS

Date of Analysis

6/3/2018



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	\$11,502,360,460	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.76	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	18.69%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	15.57	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.13	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	1.76	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.07	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.39
MG Growth Estimate	0.89%
MG Value	\$45.17
MG Value based on 3% Growth	\$63.67
MG Value based on 0% Growth	\$37.33
Market Implied Growth Rate	3.53%

MG Opinion

Current Price	\$68.37
% of Intrinsic Value	151.37%
Opinion	Overvalued
MG Grade	C+

Stage 3: Information for Further Research

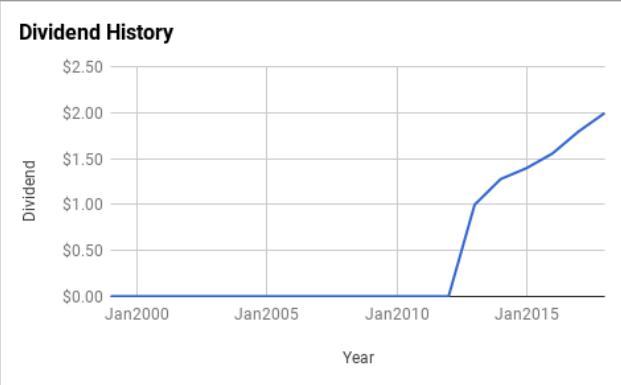
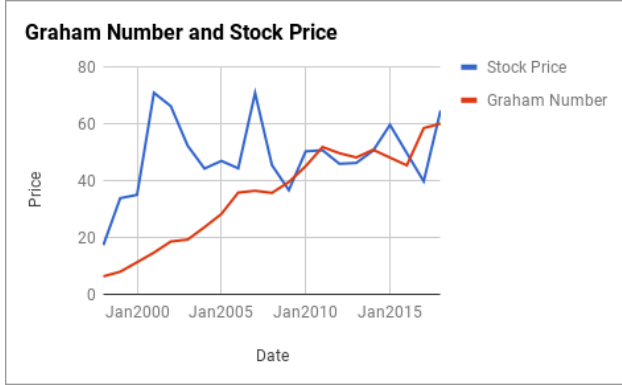
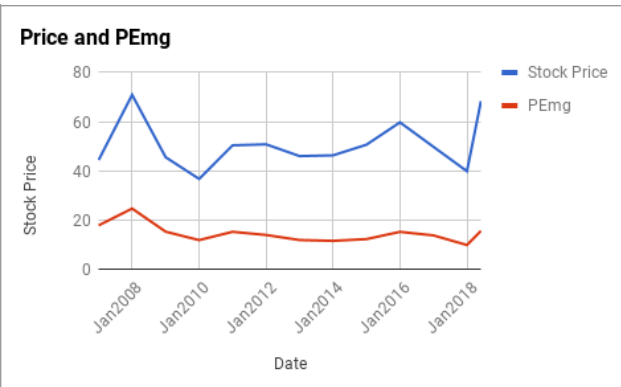
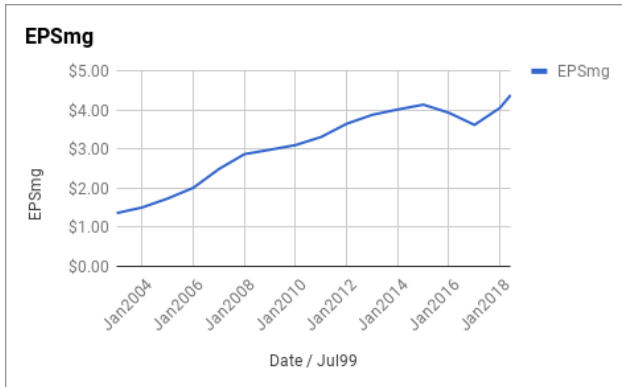
Net Current Asset Value (NCAV)	-\$15.43
Graham Number	\$60.16
PEmg	15.57
Current Ratio	1.76
PB Ratio	2.13
Current Dividend	\$2.20
Dividend Yield	3.22%
Number of Consecutive Years of Dividend Growth	7

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	\$4.98	Next Fiscal Year Estimate	\$4.39
Jan2018	\$5.12	Jan2018	\$4.06
Jan2017	\$3.11	Jan2017	\$3.63
Jan2016	\$3.46	Jan2016	\$3.94
Jan2015	\$4.24	Jan2015	\$4.14
Jan2014	\$4.05	Jan2014	\$4.02
Jan2013	\$4.17	Jan2013	\$3.88
Jan2012	\$4.30	Jan2012	\$3.65
Jan2011	\$3.66	Jan2011	\$3.32
Jan2010	\$3.17	Jan2010	\$3.11
Jan2009	\$2.89	Jan2009	\$2.99
Jan2008	\$3.39	Jan2008	\$2.88
Jan2007	\$3.31	Jan2007	\$2.49
Jan2006	\$2.43	Jan2006	\$2.02
Jan2005	\$2.04	Jan2005	\$1.74
Jan2004	\$1.59	Jan2004	\$1.51
Jan2003	\$1.85	Jan2003	\$1.37
Jan2002	\$1.45	Balance Sheet Information 4/1/2018	
Jan2001	\$1.10	Total Current Assets	\$4,983,000,000
Jan2000	\$0.77	Total Current Liabilities	\$2,830,000,000
Jan1999	\$0.59	Long-Term Debt	\$2,301,000,000
		Total Assets	\$12,916,000,000
		Intangible Assets	\$0
		Total Liabilities	\$7,560,000,000
		Shares Outstanding (Diluted Average)	167,000,000





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**
- [Kohl's Corporation Valuation – March 2017 \\$KSS](#)
 - [Kohl's Corporation Valuation – November 2015 Update \\$KSS](#)
 - [The Best Companies of the Retail Industry – August 2015](#)
 - [15 Best Stocks For Value Investors This Week – 8/22/15](#)
 - [Kohl's Corporation Analysis – August 2015 Update \\$KSS](#)

- Other ModernGraham posts about related companies**
- [Dollar Tree Inc Valuation – May 2018 \\$DLTR](#)
 - [TJX Companies Inc Valuation – May 2018 \\$TJX](#)
 - [Tractor Supply Co Valuation – April 2018 \\$TSCO](#)
 - [Tapestry Inc Valuation – April 2018 \\$TPR](#)
 - [Dollar General Corp Valuation – April 2018 \\$DG](#)
 - [Tiffany & Co. Valuation – April 2018 \\$TIF](#)
 - [Best Buy Co Inc Valuation – April 2018 \\$BBY](#)
 - [Macy's Inc Valuation – April 2018 \\$M](#)
 - [Walgreens Boots Alliance Inc Valuation – March 2018 \\$WBA](#)
 - [Bed Bath & Beyond Inc Valuation – March 2018 \\$BBBY](#)