

ModernGraham Valuation

Company Name:

Ulta Beauty Inc

Company Ticker ULTA

Date of Analysis

6/5/2018



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 | \$15,365,822,382 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 2.42 | Pass |
| 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 | 487.10% | Pass |
| 5. Earnings Growth | PEmg < 20 | 37.66 | Fail |
| 6. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 8.67 | 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 | 2.42 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 0.00 | Pass |
| 3. Earnings Stability | Positive EPS for 5 years prior | | Pass |
| 4. Dividend Record | Currently Pays Dividend | | Fail |
| 5. Earnings Growth | EPSmg greater than 5 years ago Score | | Pass |

Suitability

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

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|-----------------|
| EPSmg | \$6.74 |
| MG Growth Estimate | 15.00% |
| MG Value | \$259.59 |
| MG Value based on 3% Growth | \$97.77 |
| MG Value based on 0% Growth | \$57.31 |
| Market Implied Growth Rate | 14.58% |

MG Opinion

| | |
|----------------------|----------------------|
| Current Price | \$253.93 |
| % of Intrinsic Value | 97.82% |
| Opinion | Fairly Valued |
| MG Grade | C |

Stage 3: Information for Further Research

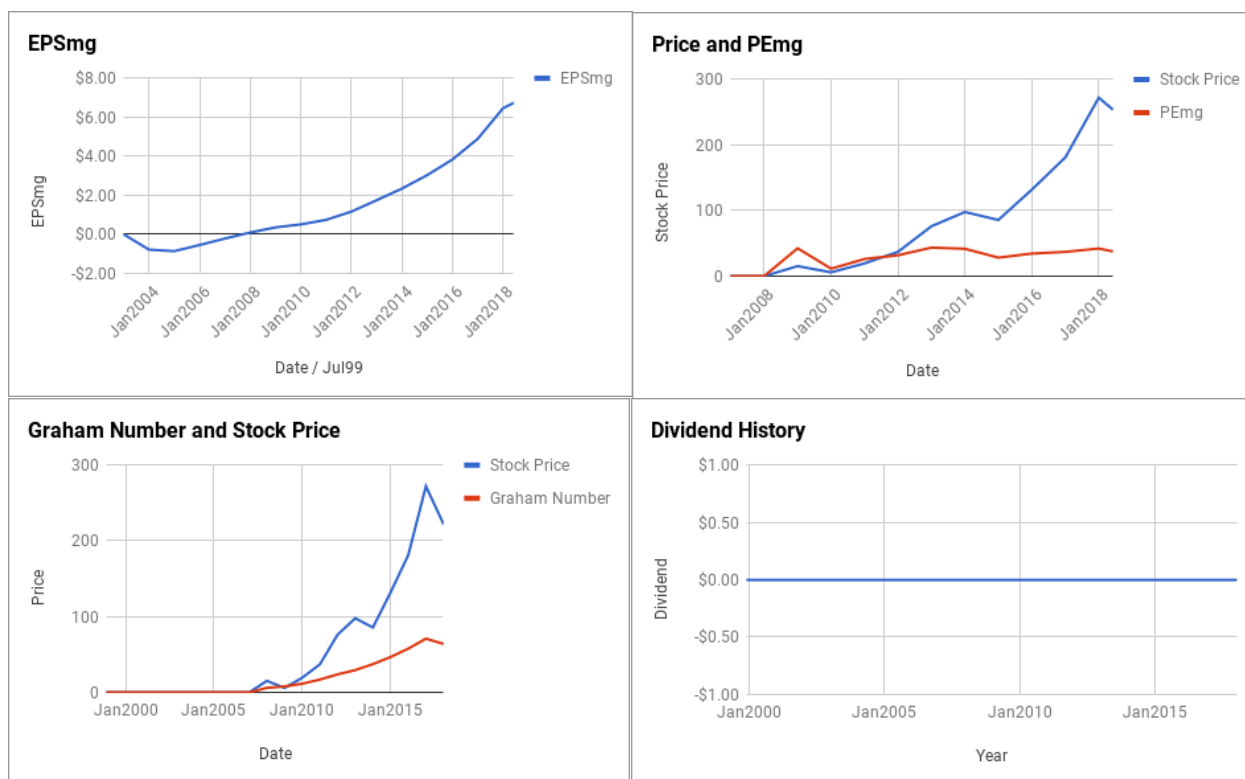
| | |
|--|---------|
| Net Current Asset Value (NCAV) | \$9.26 |
| Graham Number | \$64.01 |
| PEmg | 37.66 |
| Current Ratio | 2.42 |
| PB Ratio | 8.67 |
| Current Dividend | \$0.00 |
| Dividend Yield | 0.00% |
| Number of Consecutive Years of Dividend Growth | 0 |

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 | |
| Jan2018 | \$6.36 | Jan2018 | \$6.74 |
| Jan2017 | \$8.96 | Jan2017 | \$6.46 |
| Jan2016 | \$6.52 | Jan2016 | \$4.90 |
| Jan2015 | \$4.98 | Jan2015 | \$3.84 |
| Jan2014 | \$3.98 | Jan2014 | \$3.03 |
| Jan2013 | \$3.15 | Jan2013 | \$2.34 |
| Jan2012 | \$2.68 | Jan2012 | \$1.75 |
| Jan2011 | \$1.90 | Jan2011 | \$1.16 |
| Jan2010 | \$1.16 | Jan2010 | \$0.74 |
| Jan2009 | \$0.66 | Jan2009 | \$0.51 |
| Jan2008 | \$0.43 | Jan2008 | \$0.36 |
| Jan2007 | \$0.48 | Jan2007 | \$0.10 |
| Jan2006 | \$0.45 | Jan2006 | -\$0.22 |
| Jan2005 | \$0.33 | Jan2005 | -\$0.55 |
| Jan2004 | -\$0.70 | Jan2004 | -\$0.86 |
| Jan2003 | -\$2.36 | Jan2003 | -\$0.78 |
| Dec2002 | \$0.02 | Jan2003 | \$0.01 |
| Dec2001 | \$0.00 | Balance Sheet Information | |
| Dec2000 | \$0.00 | 4/1/2018 | |
| Dec1999 | \$0.00 | Total Current Assets | \$1,802,699,000 |
| | | Total Current Liabilities | \$745,092,000 |
| | | Long-Term Debt | \$0 |
| | | Total Assets | \$3,022,249,000 |
| | | Intangible Assets | \$0 |
| | | Total Liabilities | \$1,238,816,000 |
| | | Shares Outstanding (Diluted Average) | 60,909,000 |





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 [Ulta Beauty Inc Valuation – Initial Coverage \\$ULTA](#)

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](#)