

ModernGraham Valuation

Company Name:

Urban Outfitters, Inc.

Company Ticker URBN

Date of Analysis

6/7/2018



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	\$5,042,320,182	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.64	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	22.60%	Fail
5. Earnings Growth	PEmg < 20	27.28	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.78	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	2.64	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	\$1.70
MG Growth Estimate	0.43%
MG Value	\$15.92
MG Value based on 3% Growth	\$24.66
MG Value based on 0% Growth	\$14.46
Market Implied Growth Rate	9.39%

MG Opinion

Current Price	\$46.40
% of Intrinsic Value	291.52%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.58
Graham Number	\$24.22
PEmg	27.28
Current Ratio	2.64
PB Ratio	3.78
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		Next Fiscal Year Estimate	
Jan2018	\$2.17	Jan2018	\$1.70
Jan2017	\$0.96	Jan2017	\$1.52
Jan2016	\$1.86	Jan2016	\$1.79
Jan2015	\$1.78	Jan2015	\$1.71
Jan2014	\$1.68	Jan2014	\$1.65
Jan2013	\$1.89	Jan2013	\$1.60
Jan2012	\$1.62	Jan2012	\$1.43
Jan2011	\$1.19	Jan2011	\$1.30
Jan2010	\$1.60	Jan2010	\$1.28
Jan2009	\$1.28	Jan2009	\$1.07
Jan2008	\$1.17	Jan2008	\$0.92
Jan2007	\$0.94	Jan2007	\$0.74
Jan2006	\$0.69	Jan2006	\$0.60
Jan2005	\$0.77	Jan2005	\$0.49
Jan2004	\$0.54	Jan2004	\$0.32
Jan2003	\$0.30	Jan2003	\$0.19
Jan2002	\$0.18	Jan2003	\$0.13
Jan2001	\$0.11	Balance Sheet Information	
Jan2000	\$0.08	4/1/2018	
Jan1999	\$0.13	Total Current Assets	\$1,097,138,000
	\$0.11	Total Current Liabilities	\$415,091,000
		Long-Term Debt	\$0
		Total Assets	\$2,051,215,000
		Intangible Assets	\$0
		Total Liabilities	\$704,800,000
		Shares Outstanding (Diluted Average)	109,744,000





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

- [10 Low PE Stock Picks for the Defensive Investor – August 2017](#)
- [9 Best Stocks For Value Investors This Week – 7/23/16](#)
- [Urban Outfitters Inc Valuation – July 2016 \\$URBN](#)
- [19 Best Stocks For Value Investors This Week – 1/9/16](#)
- [Urban Outfitters Inc Valuation – January 2016 Update \\$URBN](#)

Other ModernGraham posts about related companies

- [Ulta Beauty Inc Valuation – June 2018 \\$ULTA](#)
- [Kohl's Corporation Valuation – June 2018 \\$KSS](#)
- [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](#)