

# ModernGraham Valuation

Company Name:

Ross Stores, Inc.

Company Ticker ROST

Date of Analysis

1/3/2019



## 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	\$30,957,153,472	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.61	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	202.02%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	24.85	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	9.72	Fail

*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	1.61	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.23	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.36
MG Growth Estimate	11.90%
<b>MG Value</b>	<b>\$108.54</b>
MG Value based on 3% Growth	\$48.74
MG Value based on 0% Growth	\$28.57
Market Implied Growth Rate	8.18%

### MG Opinion

Current Price	\$83.53
% of Intrinsic Value	76.96%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.55
Graham Number	\$27.22
PEmg	24.85
Current Ratio	1.61
PB Ratio	9.72
Current Dividend	\$0.64
Dividend Yield	0.77%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.10	Next Fiscal Year Estimate	\$3.36
Jan2018	\$3.55	Jan2018	\$2.86
Jan2017	\$2.83	Jan2017	\$2.43
Jan2016	\$2.51	Jan2016	\$2.14
Jan2015	\$2.21	Jan2015	\$1.87
Jan2014	\$1.94	Jan2014	\$1.62
Jan2013	\$1.77	Jan2013	\$1.36
Jan2012	\$1.43	Jan2012	\$1.07
Jan2011	\$1.16	Jan2011	\$0.83
Jan2010	\$0.89	Jan2010	\$0.62
Jan2009	\$0.58	Jan2009	\$0.47
Jan2008	\$0.48	Jan2008	\$0.40
Jan2007	\$0.43	Jan2007	\$0.36
Jan2006	\$0.34	Jan2006	\$0.32
Jan2005	\$0.28	Jan2005	\$0.30
Jan2004	\$0.37	Jan2004	\$0.30
Jan2003	\$0.31	Jan2003	\$0.25
Jan2002	\$0.24	<b>Balance Sheet Information 10/1/2018</b>	
Jan2001	\$0.23	Total Current Assets	\$3,623,307,000
Jan2000	\$0.21	Total Current Liabilities	\$2,252,294,000
Jan1999	\$0.18	Long-Term Debt	\$312,328,000
		Total Assets	\$6,235,767,000
		Intangible Assets	\$0
		Total Liabilities	\$3,048,604,000
		Shares Outstanding (Diluted Average)	371,061,000





**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**
- [Best Dividend Paying Stocks for Dividend Growth Investors – August 2018](#)
  - [Best Dividend Paying Stocks for Dividend Growth Investors – June 2018](#)
  - [Best Dividend Paying Stocks for Dividend Growth Investors – April 2018](#)
  - [Ross Stores Inc Valuation – March 2018 \\$ROST](#)
  - [Best Dividend Paying Stocks for Dividend Growth Investors – August 2017](#)

- Other ModernGraham posts about related companies**
- [Walgreens Boots Alliance Inc Valuation – December 2018 \\$WBA](#)
  - [Nordstrom Inc Valuation – December 2018 \\$JWN](#)
  - [Walmart Inc Valuation – November 2018 \\$WMT](#)
  - [Canadian Tire Corp Ltd Valuation – August 2018 \\$TSE:CTC.A](#)
  - [McKesson Corp Valuation – June 2018 \\$MCK](#)
  - [Big 5 Sporting Goods Corp Valuation – June 2018 \\$BGFV](#)
  - [Amazon.com Inc Valuation – June 2018 \\$AMZN](#)
  - [Fossil Group Inc Valuation – June 2018 \\$FOSL](#)
  - [Costco Wholesale Corp Valuation – June 2018 \\$COST](#)
  - [Lumber Liquidators Holdings Inc Valuation – June 2018 \\$LL](#)