

ModernGraham Valuation

Company Name:

Kohl's Corporation

Company Ticker KSS

Date of Analysis

3/15/2019



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	\$11,232,074,025	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.77	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	29.93%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	13.89	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.00	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	1.77	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.88	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	\$4.89
MG Growth Estimate	3.65%
MG Value	\$77.27
MG Value based on 3% Growth	\$70.95
MG Value based on 0% Growth	\$41.59
Market Implied Growth Rate	2.70%

MG Opinion

Current Price	\$67.98
% of Intrinsic Value	87.98%
Opinion	Fairly Valued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$12.93
Graham Number	\$66.09
PEmg	13.89
Current Ratio	1.77
PB Ratio	2.00
Current Dividend	\$2.44
Dividend Yield	3.59%
Number of Consecutive Years of Dividend Growth	8

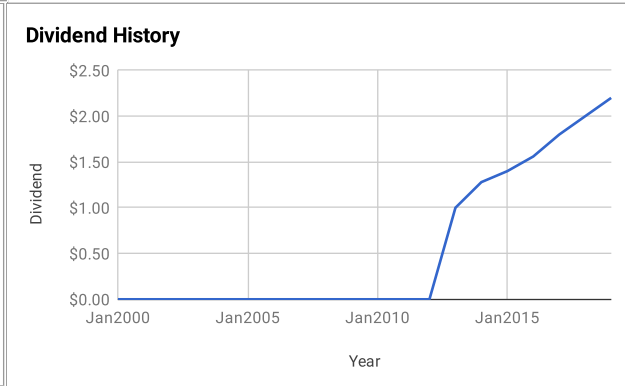
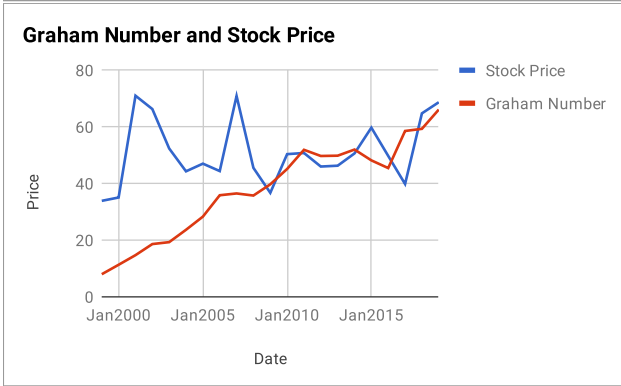
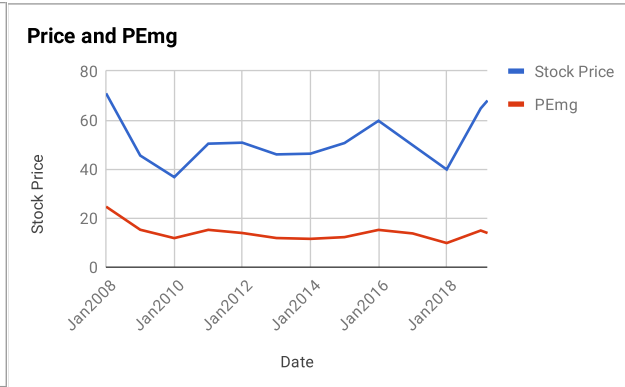
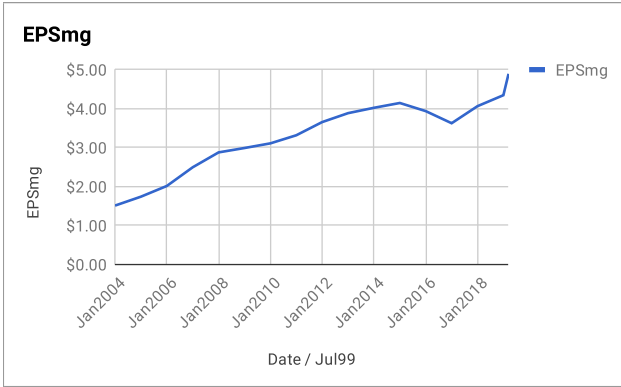
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.80	Next Fiscal Year Estimate	\$4.89
Jan2019	\$4.84	Jan2019	\$4.34
Jan2018	\$5.12	Jan2018	\$4.06
Jan2017	\$3.11	Jan2017	\$3.63
Jan2016	\$3.46	Jan2016	\$3.94
Jan2015	\$4.24	Jan2015	\$4.14
Jan2014	\$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	Balance Sheet Information	1/1/2019
Jan2002	\$1.45	Total Current Assets	\$4,835,000,000
Jan2001	\$1.10	Total Current Liabilities	\$2,730,000,000
Jan2000	\$0.77	Long-Term Debt	\$1,861,000,000
		Total Assets	\$12,469,000,000
		Intangible Assets	\$0
		Total Liabilities	\$6,942,000,000
		Shares Outstanding (Diluted Average)	163,000,000





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 – June 2018 \\$KSS](#)
 - [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](#)

- Other ModernGraham posts about related companies**
- [Dollar Tree Inc Valuation – March 2019 #DLTR](#)
 - [TJX Companies Inc Valuation – February 2019 \\$TJX](#)
 - [Tractor Supply Co Valuation – February 2019 \\$TSCO](#)
 - [Tapestry Inc Valuation – February 2019 \\$TPR](#)
 - [Dollar General Corp Valuation – February 2019 \\$DG](#)
 - [Tiffany & Co Valuation – February 2019 \\$TIF](#)
 - [Best Buy Co Inc Valuation – February 2019 \\$BBY](#)
 - [Macy's Inc Valuation – January 2019 \\$M](#)
 - [Ross Stores Inc Valuation – January 2019 \\$ROST](#)
 - [Walgreens Boots Alliance Inc Valuation – December 2018 \\$WBA](#)