

# ModernGraham Valuation

Company Name:

Ulta Beauty Inc

Company Ticker ULTA

Date of Analysis

3/18/2019



## 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	\$20,297,752,712	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.32	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	357.49%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	42.65	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	11.18	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	2.32	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		Pass
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$8.03
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$309.18</b>
MG Value based on 3% Growth	\$116.44
MG Value based on 0% Growth	\$68.26
Market Implied Growth Rate	17.08%

### MG Opinion

Current Price	\$342.54
% of Intrinsic Value	110.79%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$9.15
Graham Number	\$65.79
PEmg	42.65
Current Ratio	2.32
PB Ratio	11.18
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

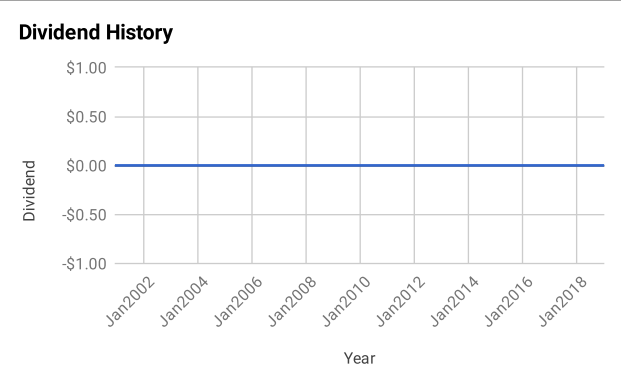
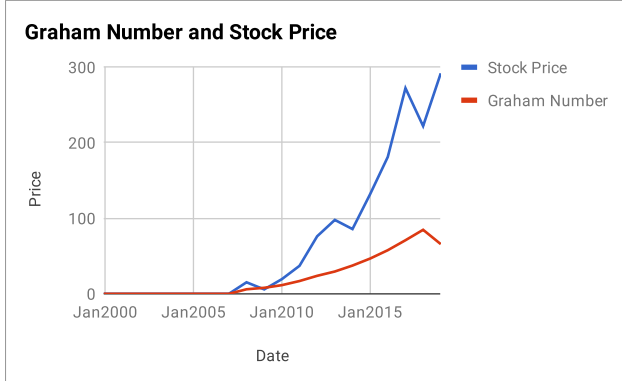
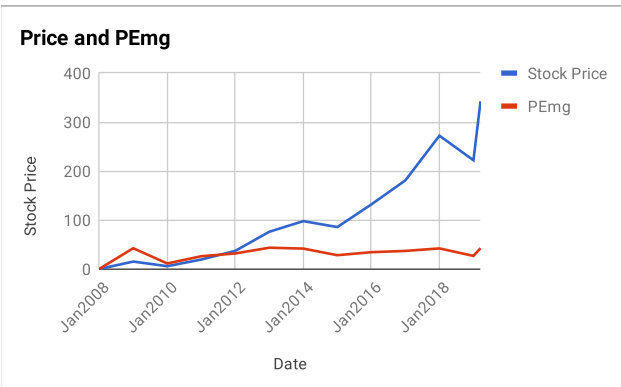
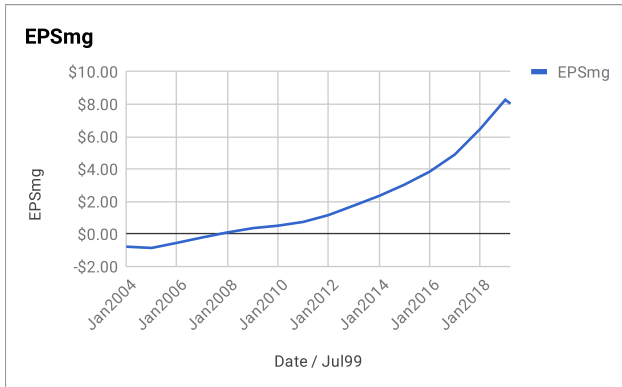
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.36	Next Fiscal Year Estimate	\$8.03
Jan2019	\$10.94	Jan2019	\$8.27
Jan2018	\$8.96	Jan2018	\$6.46
Jan2017	\$6.52	Jan2017	\$4.90
Jan2016	\$4.98	Jan2016	\$3.84
Jan2015	\$3.98	Jan2015	\$3.03
Jan2014	\$3.15	Jan2014	\$2.34
Jan2013	\$2.68	Jan2013	\$1.75
Jan2012	\$1.90	Jan2012	\$1.16
Jan2011	\$1.16	Jan2011	\$0.74
Jan2010	\$0.66	Jan2010	\$0.51
Jan2009	\$0.43	Jan2009	\$0.36
Jan2008	\$0.48	Jan2008	\$0.10
Jan2007	\$0.45	Jan2007	-\$0.22
Jan2006	\$0.33	Jan2006	-\$0.55
Jan2005	-\$0.70	Jan2005	-\$0.86
Jan2004	-\$2.36	Jan2004	-\$0.78
Jan2003	\$0.02	<b>Balance Sheet Information 1/1/2019</b>	
Dec2002	\$0.00	Total Current Assets	\$1,914,861,000
Dec2001	\$0.00	Total Current Liabilities	\$823,736,000
Dec2000	\$0.00	Long-Term Debt	\$0
		Total Assets	\$3,191,172,000
		Intangible Assets	\$15,187,000
		Total Liabilities	\$1,370,954,000
		Shares Outstanding (Diluted Average)	59,428,000





**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 – June 2018 \\$ULTA](#)  
[Ulta Beauty Inc Valuation – Initial Coverage \\$ULTA](#)

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