

# Crocs Inc. Stock Valuation

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*SEE READING:  
CROCS, INC.*

# Bullish Simplified DCF of Crocs- You do the Work

Bull might forecast beta risk estimate and thus discount rate as *lower*

Bull might estimate future CFs as *higher*

Discount Rate	11%			
<b>BULL ANALYST</b>				
<b>Forecast Year</b>		<b>1</b>	<b>2</b>	<b>3</b>
<b>FCF</b>		150	216	6360
<b>PV of CFs (NPV)</b>	X			
<b>Number shares</b>	85			
<b>Stock Price Estimate</b>	X			
<b>Price Estimate / Target</b>	X			
<b>Current Price</b>	X			
<b>Upside / Downside</b>	X			

# Bearish Simplified DCF of Crocs- You do the Work

Bear might forecast beta risk estimate and thus discount rate as *higher*

Bear might estimate future CFs as *lower*

Discount Rate	13%			
<b>BEAR ANALYST</b>				
Forecast Year		<b>1</b>	<b>2</b>	<b>3</b>
FCF		100	144	4240
PV of CFs (NPV)	X			
Number shares	85			
Stock Price Estimate	X			
Price Estimate / Target	X			
Current Price	X			
Upside / Downside	X			

# Mean / Median Simplified DCF of Crocs- You do the Work

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Market forecast of beta and discount rate is the median

Market estimate future CFs is also the median, TV year 3 included

Discount Rate	12%			
<b>MEDIAN ANALYST</b>				
<b>Forecast Year</b>		<b>1</b>	<b>2</b>	<b>3</b>
<b>FCF</b>		125	180	5300
<b>PV of CFs (NPV)</b>	X			
<b>Number shares</b>	85			
<b>Stock Price Estimate</b>	X			
<b>Price Estimate / Target</b>	X			
<b>Current Price</b>	X			
<b>Upside / Downside</b>	X			

# Bull View Multiples Valuation – Five Comps from Apparel

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Identifies 5 high growth companies (growth 54%)

**Apparel: P/E = 43.59**

**Apparel: EV/EBITDA = 22.91**

2007 per share data for Crocs:

- NI = 168; # shares = 84.19; EPS = 1.995
- EBITDA = 258
- Debt = .65
- Cash & Marketable Securities = 45.546

# Bull View of Crocs – Do the work

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**Apparel: P/E = 43.59**

**Example: Lululemon**

P/E Valuation = Comps' PE \* company EPS

P/E Valuation = \_\_\_\_\_ \* 1.995 = \_\_\_\_\_

**Apparel: EV/EBITDA = 22.91**

EV/EBITDA Valuation

= [Comps' EV/EBITDA \* company EBITDA - debt + Cash] / # shares

= [ ( \_\_\_\_\_ \* 258) - .65 + 45.546 ] / 84.19 = \_\_\_\_\_

Average of two = \_\_\_\_\_

# Bear / Hold Multiple View of Crocs

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**Footwear: P/E = 21.58**

**Example: NIKE**

P/E Valuation = Comps' PE \* company EPS

P/E Valuation = \_\_\_\_\_ \* 1.995 = \_\_\_\_\_

**Footwear: EV/EBITDA = 13.32**

EV/EBITDA Valuation

= [Comps' EV/EBITDA \* company EBITDA - debt + Cash] / # shares

= [ ( \_\_\_\_\_ \* 258) - .65 + 45.546 ] / 84.19 = \_\_\_\_\_

Average of two = \_\_\_\_\_