

Club Activity

bivio Club Meeting Meeting

September 2010

Deckers Outdoor (DECK)-Making Judgments

1. Find the historical revenues for the last 5 years

a. www.morningstar.com

1. Key Ratios Tab, top section "Financials"

2005	2006	2007	2008	2009

What do you see from these numbers? Consistent? Increasing? Decreasing?
 Comments/Thoughts? _____

2. Look at the year to year growth in sales

a. www.morningstar.com

1. Key Ratios Tab, bottom section, "Key Ratios", growth tab

2004-2005	2005-2006	2006-2007	2007-2008	2008-2009

What do you see from these numbers? Consistent? Increasing? Decreasing?
 Comments/Thoughts _____

3. Find the %net margin for each of the last 5 years

a. www.morningstar.com

1. Key ratios tab, bottom section, "Key Ratios", profitability tab

2005	2006	2007	2008	2009

Look at it's variability.

Comments/Thoughts? _____

- b. Read the Management Discussion and Analysis (MDA) section in the most recent Quarterly filing. Note anything that they say might affect future sales growth and/or future profit margins.
 1. <http://www.sec.gov/edgar/searchedgar/companysearch.html>
 2. Search for DECK
 3. In the list of filings on the left, find 10-Q
 4. Select the "Documents" button in the Format column
 5. On the next page, in the "Document Format Files" at the bottom, select the link in the "Document" Column next to 10-Q
 6. Scroll down to the Table of Contents and select the link for Item 2, Management Discussion and Analysis of Financial Condition and Results Of Operations.

What items do they discuss that might affect future sales growth and profitability?

4. Project future sales growth. _____
 - a. Using the data from number 1 and 2 and whatever you found in the MDA
5. Project future net margin. _____
 - a. Using the Data from number 3 and whatever you found in the MDA
6. Enter your projections at www.bivio.com/clubmm
 - a. We'll compile our collective thoughts and run our own PAR analysis next month

Extra Credit

Average future P/E _____

www.bigcharts.com

Type in the ticker at the top

Select Interactive Chart

On the left side, set Chart options to 5 years, monthly

In the section called Lower Indicators, select P/E ratio

Use what you see to make a judgment about what the Average P/E might be in the future.