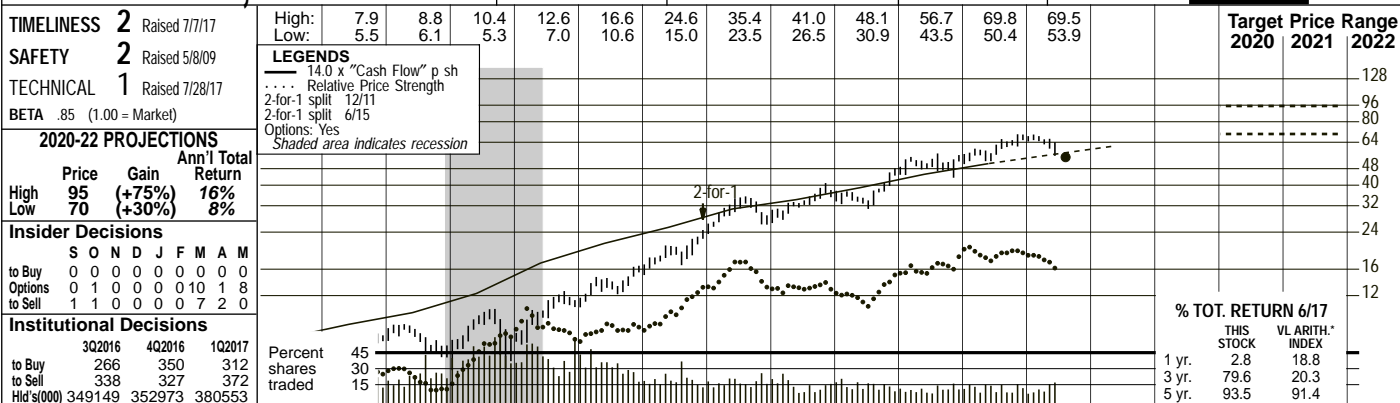


ROSS STORES, INC. NDQ-ROST

RECENT PRICE **54.33** P/E RATIO **17.5** (Trailing: 18.6 Median: 16.0) RELATIVE P/E RATIO **0.88** DIV'D YLD **1.2%** **VALUE LINE**



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
4.73	5.70	6.48	7.22	8.58	9.99	11.14	12.73	14.61	16.66	19.05	22.09	23.97	26.61	29.68	32.83	36.05	39.40	Sales per sh ^{A B}	47.30
.32	.43	.50	.47	.54	.63	.71	.88	1.22	1.52	1.81	2.21	2.44	2.71	3.22	3.62	4.00	4.40	"Cash Flow" per sh	5.35
.24	.32	.37	.30	.34	.43	.48	.58	.89	1.16	1.43	1.77	1.94	2.21	2.51	2.83	3.10	3.40	Earnings per sh ^C	4.10
.02	.03	.03	.04	.06	.06	.08	.10	.12	.18	.24	.30	.36	.40	.47	.54	.64	.70	Div'ds Decl'd per sh ^D	.86
.86	1.04	1.25	1.30	1.45	1.63	1.81	1.96	2.35	2.82	3.30	4.02	4.70	5.49	6.14	7.01	7.50	8.20	Book Value per sh	14.35
631.68	619.93	604.83	586.87	576.45	557.42	536.38	509.38	491.72	472.25	451.83	440.04	426.84	414.94	402.34	391.89	380.00	368.00	Common Shs Outst'g ^E	355.00
13.8	15.8	15.4	22.5	20.1	16.6	15.5	14.1	11.6	12.0	14.1	17.2	17.4	17.0	20.3	21.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
.71	.86	.88	1.19	1.07	.90	.82	.85	.77	.76	.88	1.09	.98	.89	1.02	1.13			Relative P/E Ratio	1.25
.7%	.5%	.6%	.7%	.8%	.9%	1.1%	1.2%	1.2%	1.3%	1.2%	1.0%	1.0%	1.1%	.9%	.9%			Avg Ann'l Div'd Yield	1.0%

CAPITAL STRUCTURE as of 4/29/17

Total Debt \$396.6 mill. Due in 5 Yrs. \$150.0 mill.
 LT Debt \$396.6 mill. LT Int. \$18.0 mill. (13% of cap'l)

Leases, Uncapitalized Annual rentals \$490.9 mill.

No Defined Benefits Pension Plan

Pfd Stock None

Common Stock 389,182,128 shs. as of 5/17/17

MARKET CAP: \$21.1 billion (Large Cap)

2015	2016	4/29/17	20-22
5975.2	6486.1	7184.2	7866.1
24.7%	25.8%	28.1%	29.2%
9.1%	9.8%	12.3%	13.6%
890	956	1005	1055
261.1	305.4	442.8	554.8
38.6%	38.3%	38.4%	38.2%
4.4%	4.7%	6.2%	7.1%
387.4	358.4	555.0	690.9
150.0	150.0	150.0	150.0
970.6	996.4	1157.3	1332.7
23.3%	27.0%	34.2%	37.7%
26.9%	30.7%	38.3%	41.6%
22.7%	25.7%	33.5%	35.8%
16%	16%	12%	14%

2015	2016	4/29/17	20-22
763.3	1111.6	1244.2	1104.2
73.6	75.2	100.8	104.0
1419.1	1512.9	1594.8	1450.0
116.2	113.4	124.9	137.0
2372.2	2813.1	3064.7	2850.0
945.6	1021.7	1178.0	1165.0
-	-	-	-
657.2	730.8	759.7	730.0
1602.8	1752.5	1937.7	1752.5

BUSINESS: Ross Stores, Inc. operates a chain of 1,340 off-price retail stores located in 36 states, Washington D.C., and Guam. Stores offer primarily first-quality, in-season, name brand and designer apparel, accessories, footwear, and home fashions for the entire family at everyday savings of 20%-60% below department- and specialty-store prices. Also has 193 dd's DISCOUNTS stores

Ross Stores' latest results had plenty of wow factor. Notably, the off-price retailer started fiscal 2017 (began January 29th) in fine fashion, as first-quarter same-store sales rose a solid 3% and earnings per share climbed 12% from the year-earlier period, essentially surpassing guidance and besting our call by \$0.02. Again, difficult yearly comparisons, along with an intensely promotional/competitive environment, wage increases, and macroeconomic uncertainty, didn't stop Ross from excelling. Good margin performance, aided by tight inventory control, and a narrower share count helped save the day.

Hearty gains look to be on tap this year and next, although we have some concerns. To be sure, Ross' off-price concept continues to resonate with today's value-minded shoppers. But with ongoing promotional activity in retail (exacerbated by recent department store and mall-chain closures) and tough comparisons facing the retailer, a sales comp slowdown can't be ruled out. The secular trend of online shopping gives us some pause, too. Also, with margins at peak levels, wage increases and expansion-related investments could add pressure. That said, based on its recent performance and aggressive stock buybacks (under its two-year \$1.75 billion program), Ross now expects fiscal 2017 share earnings to be in a range of \$3.07-\$3.17 (up from \$3.02-\$3.15 before), on sales comp growth of 1%-2%. Our EPS estimates for this year and next remain intact, implying advances of 10% each.

The retailer should enjoy fairly solid growth over the long haul, too. While the factors mentioned above could pose a challenge and temper growth, the company still seems positioned to benefit from a general consumer shift toward bargain-priced high-quality goods. Expanding the core namesake store base and the dd's DISCOUNTS chain, which offers bigger savings, in new and existing markets will be key. The goal is to ultimately grow Ross to 2,000 locations and dd's to 500 shops.

This timely issue has pulled back in price in recent months. That likely reflects concerns over the sustainability of Ross' comp growth. Even so, its overall prospects seem positive and the stock's total return potential is now more enticing.

J. Susan Ferrara July 28, 2017

(A) Fiscal year ends on Saturday closest to Jan. 31 of following calendar year.	(C) Diluted earnings. Excl. nonrecurring (losses): '04, (6¢). Next earnings report due mid-August.	June, late Aug., and late Nov. 2013 fourth quarter dividend declaration, usually done in January, moved to February 2014.	Company's Financial Strength	A
(B) Excl. sales of leased departments.	(D) Dividends typically paid in mid-Feb., early	(E) In millions, adj. for stock splits.	Stock's Price Stability	80
			Price Growth Persistence	90
			Earnings Predictability	100