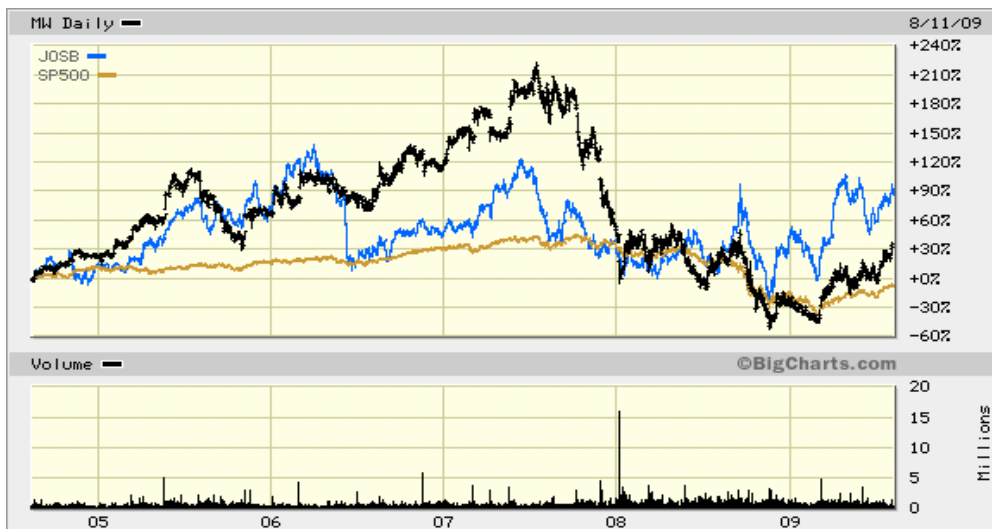


## Men's Wearhouse Inc. (MW) 8/11/09

The Men's Warehouse is a specialty retailer of men's suits in the US and Canada. In 2009 it operated 805 retail stores and 489 tuxedo rental stores. MW operates its locations under the names of The Men's Warehouse and K&G, and Moore's Clothing in Canada. The Men's Warehouse was founded in 1974 and is based in Houston, Texas.

Current Price	\$23,22
52 Week High	\$26,43
52 Week Low	\$8,33
One Yr Target	\$19,00
Market Cap (in billions)	\$1,21
P/E (Trailing)	22,28
P/E(1 Yr Forward)	21,00
P/E/G	2,61
ROA	4,38%
ROE	6,48%
EPS	\$1,04
Beta	1,58
Annualized Dividend	\$0,28
Dividend Yield	1,21%
Analyst Consensus	2,70



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**Annual EPS**

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	2005	\$1,88	
	2006	\$2,71	44,15%
	2007	\$2,73	0,74%
	2008	\$1,13	-58,61%
2009E		\$1,04	-7,77%

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**Annual Revenue (in millions)**

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	2005	\$1 724,90	
	2006	\$1 882,06	9,11%
	2007	\$2 112,56	12,25%
	2008	\$1 972,42	-6,63%

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**Annual Net Income (in millions)**

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	2005	\$103,90	
	2005	\$148,57	42,99%
	2007	\$147,04	-1,03%
	2008	\$58,84	-59,98%

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**Required Rate of Return**

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14,20%

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**Dividend Growth Model**

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Present Value of 2013 Price	\$2,10
Holding Period Return (5 years)	-26,86%

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**Expected Annualized Return Model**

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Present Value of 2013 Price	\$17,53
Holding Period Return (5 years)	-6,21%

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**Residual Income Model**

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Intrinsic Stock Price	\$13,67
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# Analysis

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## Positives

Decent dividend yield

Better than average ROA and ROE is a positive sign of management

## Negatives

High Beta means that more return is expected from the stock price

High P/E and PEG ratios suggest that stock price is expensive for the value

All three valuation models show stock price as being overvalued

## Financial Statements

Balance sheet is very strong with asset/liability ratios around 2, and growing equity totals

Income Statement is bleak with EPS, Revenue, and Net Income all decreasing over past years

Net Cash flows are volatile and negative even in years of increasing net income

## Industry Analysis

Average size for a company in the industry

Has net income and margins that are below industry average

Has a higher P/E ratio than most competitors

## Summary

The numbers show that there is not much to like about MW. Ratios point to the stock price being expensive at the moment and the valuation models says that it is overvalued. A business analysis would seem to say that it is a good industry because men will always need to buy suits, but with the recent shifts in the economy some see a changing corporate culture with the suit playing a lesser role. Therefore MW earns a **sell** rating.