

# ModernGraham Valuation

Company Name:

Fossil Group Inc

Company Ticker FOSL

Date of Analysis

2/16/2016



## 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	\$1,698,941,499	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.61	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	264.69%	Pass
6. Moderate PEmg Ratio	PEmg < 20	6.09	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.91	Pass

*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	3.61	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.69	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

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.66
MG Growth Estimate	10.41%
<b>MG Value</b>	<b>\$165.99</b>
MG Value based on 3% Growth	\$82.09
MG Value based on 0% Growth	\$48.12
Market Implied Growth Rate	-1.21%

### MG Opinion

Current Price	\$34.46
% of Intrinsic Value	20.76%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B+</b>

## Stage 3: Information for Further Research

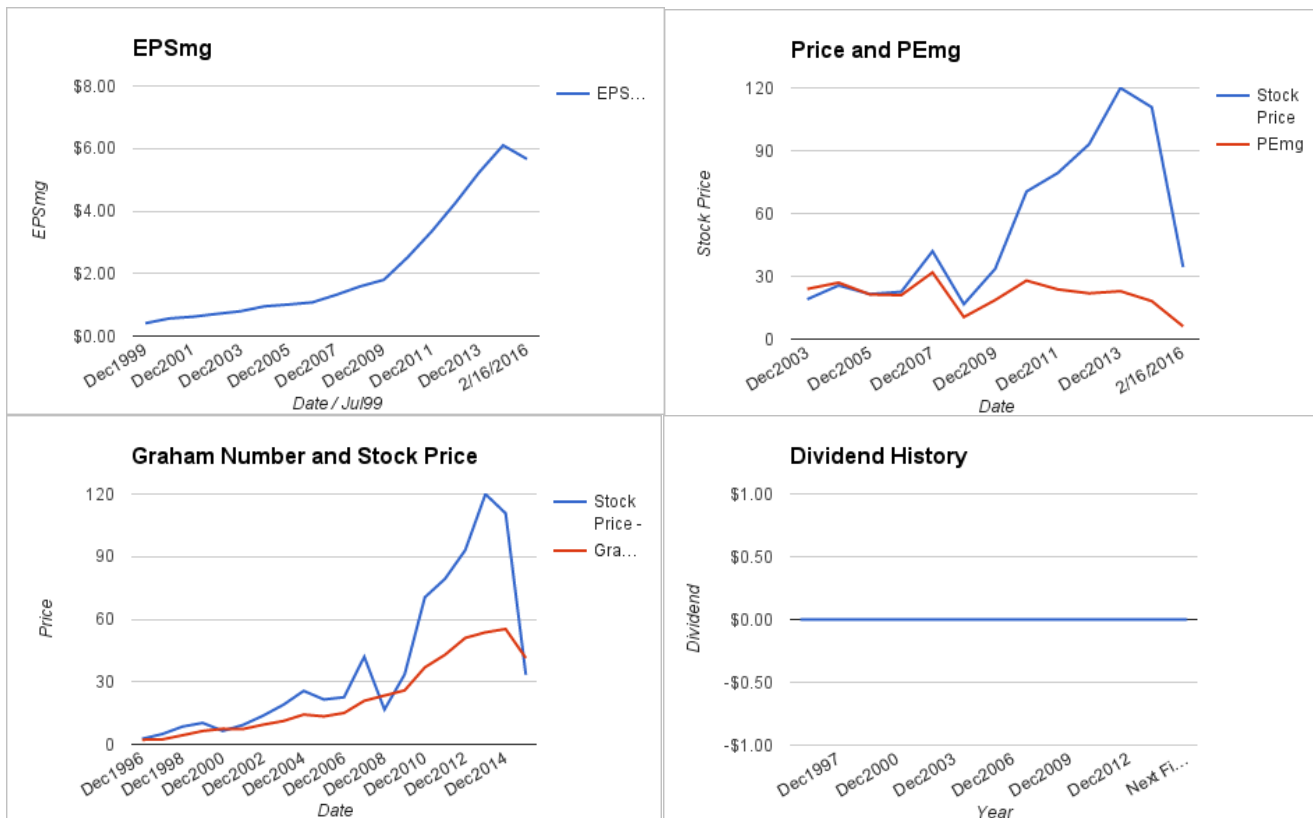
Net Current Asset Value (NCAV)	\$3.73
Graham Number	\$41.36
PEmg	6.09
Current Ratio	3.61
PB Ratio	1.91
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.21	Next Fiscal Year Estimate	\$5.66
Dec2014	\$7.10	Dec2014	\$6.10
Dec2013	\$6.56	Dec2013	\$5.24
Dec2012	\$5.59	Dec2012	\$4.26
Dec2011	\$4.61	Dec2011	\$3.34
Dec2010	\$3.77	Dec2010	\$2.52
Dec2009	\$2.07	Dec2009	\$1.80
Dec2008	\$2.02	Dec2008	\$1.59
Dec2007	\$1.75	Dec2007	\$1.32
Dec2006	\$1.13	Dec2006	\$1.08
Dec2005	\$1.04	Dec2005	\$1.01
Dec2004	\$1.23	Dec2004	\$0.95
Dec2003	\$0.92	Dec2003	\$0.79
Dec2002	\$0.81	Dec2002	\$0.71
Dec2001	\$0.62	Dec2001	\$0.62
Dec2000	\$0.76	Dec2000	\$0.56
Dec1999	\$0.69	Dec1999	\$0.41
Dec1998	\$0.44	<b>Balance Sheet Information Sep2015</b>	
Dec1997	\$0.18	Total Current Assets	\$1,565,034,000
Dec1996	\$0.20	Total Current Liabilities	\$433,532,000
Dec1995	\$0.00	Long-Term Debt	\$785,706,000
		Total Assets	\$2,254,877,000
		Intangible Assets	\$359,423,000
		Total Liabilities	\$1,385,085,000
		Shares Outstanding (Diluted Average)	48,242,000





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**

- [10 Most Undervalued Companies for the Defensive Investor – February 2016](#)
- [10 Most Undervalued Companies for the Defensive Investor – September 2015](#)
- [10 Low PE Stocks for the Defensive Investor – August 2015](#)
- [The Best Companies of the Retail Industry – August 2015](#)
- [10 Most Undervalued Companies for the Defensive Investor – August 2015](#)

**Other ModernGraham posts about related companies**

- [TJX Companies Inc Valuation – February 2016 Update \\$TJX](#)
- [Coach Inc Valuation – February 2016 Update \\$COH](#)
- [Tiffany & Company Valuation – February 2016 Update \\$TIF](#)
- [Urban Outfitters Inc Valuation – January 2016 Update \\$URBN](#)
- [CVS Health Corp Valuation – December 2015 Update \\$CVS](#)
- [Ross Stores Inc Valuation – December 2015 Update \\$ROST](#)
- [Bed Bath & Beyond Inc. Valuation – November 2015 Update \\$BBBY](#)
- [Kohl's Corporation Valuation – November 2015 Update \\$KSS](#)
- [Aaron's Inc. Valuation – October 2015 Update \\$AAN](#)
- [Nordstrom Inc. Valuation – October 2015 Update \\$JWN](#)