ModernGraham Valuation

Company Name:

Fossil Group Inc

ModernGraham

Company Ticker Date of Analysis

FOSL

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

9/22/2015

Defensive Investor; must pass 6 out of the following 7 tests.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$2,802,106,105 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.58 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at	Fail
5. Earnings Growth	beginning and end	216.94% Pass
6. Moderate PEmg Ratio	PEmg < 20	11.90 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.40 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	3.58 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

Defensive Yes Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.88
MG Growth Estimate	6.91%
MG Value	\$108.94
MG Value based on 3% Growth	\$70.78
MG Value based on 0% Growth	\$41.49
Market Implied Growth Rate	1.70%

MG Opinion

Current Price \$58.08 % of Intrinsic Value 53.31% Opinion Undervalued

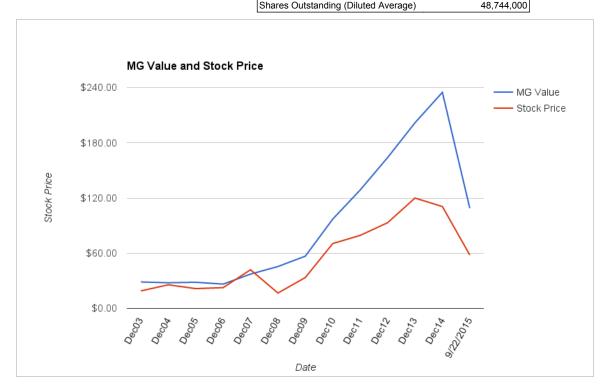
Stage 3: Information for Further Research

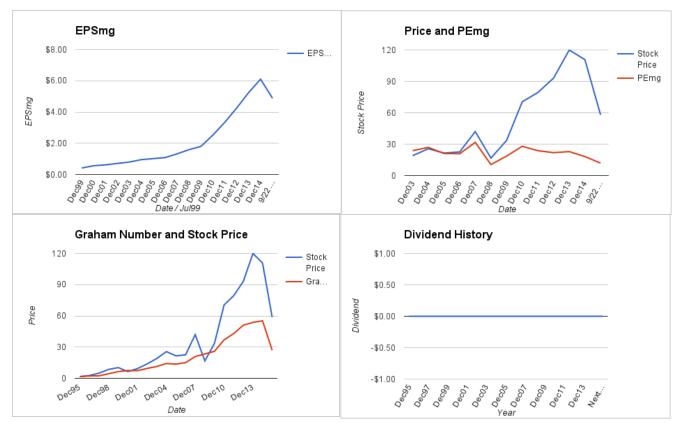
Net Current Asset Value (NCAV)	\$2.87
Graham Number	\$26.94
PEmg	11.90
Current Ratio	3.58
PB Ratio	3.40
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links: ModernGraham tagged articles

Morningstar Google Finance MSN Money Yahoo Finance Seeking Alpha SEC Filings GuruFocus

EPS History	EPSmg History	
Next Fiscal Year Estimate \$1.8	7 Next Fiscal Year Estimate	\$4.88
Dec14 \$7.1	Dec14	\$6.10
Dec13 \$6.5	Dec13	\$5.24
Dec12 \$5.5	9 Dec12	\$4.26
Dec11 \$4.6	1 Dec11	\$3.34
Dec10 \$3.7	7 Dec10	\$2.52
Dec09 \$2.0	7 Dec09	\$1.80
Dec08 \$2.0	2 Dec08	\$1.59
Dec07 \$1.7	5 Dec07	\$1.32
Dec06 \$1.1	3 Dec06	\$1.08
Dec05 \$1.0	7 Dec05	\$1.02
Dec04 \$1.2	2 Dec04	\$0.95
Dec03 \$0.9	3 Dec03	\$0.80
Dec02 \$0.8	1 Dec02	\$0.71
Dec01 \$0.6	2 Dec01	\$0.62
Dec00 \$0.7	6 Dec00	\$0.56
Dec99 \$0.6	9 Dec99	\$0.42
Dec98 \$0.4	4 Balance Sheet Information Jun	115
Dec97 \$0.1	Total Current Assets	\$1,366,339,000
Dec96 \$0.2	Total Current Liabilities	\$381,910,000
Dec95 \$0.1	2 Long-Term Debt	\$674,445,000
	Total Assets	\$2,059,441,000
	Intangible Assets	\$363,942,000
	Total Liabilities	\$1,226,495,000
	Shares Outstanding (Diluted Average)	48,744,000





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

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http://www.moderngraham.com/2015/08/31/10-low-pe-stocks-for-the-defensive-investor-august-2015/

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http://www.moderngraham.com/2015/08/14/10-most-undervalued-companies-for-the-defensive-investor-august-2015/

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http://www.moderngraham.com/2015/08/18/ann-inc-analysis-initial-coverage-ann/

http://www.moderngraham.com/2015/08/18/kohls-corporation-analysis-august-2015-update-kss/

http://www.moderngraham.com/2015/08/01/aarons-inc-analysis-initial-coverage-aan/

http://www.moderngraham.com/2015/07/31/nordstrom-inc-analysis-july-2015-update-jwn/

http://www.moderngraham.com/2015/07/27/tractor-supply-company-analysis-initial-coverage-tsco/

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