ModernGraham Valuation

Company Name:

Company Ticker EL Date of Analysis Estee Lauder Companies Inc



10/29/2015

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	\$30,769,559,300	Pass
	2.	Sufficiently Strong Financial Condition	Current Ratio > 2	2.09	Pass
	3.	Earnings Stability	Positive EPS for 10 years prior		Pass
	4	Dividend Record	Dividend Payments for 10 years prior		Pass
	5.	Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	217.31%	Pass
	6	Moderate PEmg Ratio	PEmg < 20	28.77	Fail
	7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	8.75	Fail
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	2.09	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		Pass
	5.	Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	Yes

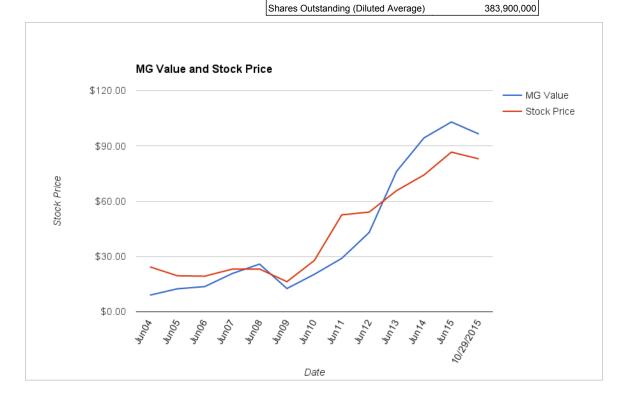
Stage 2: Determination of Intrinsic Value

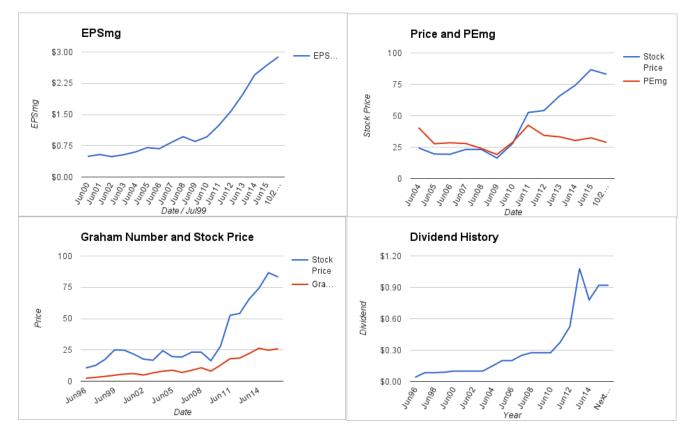
	EPSmg		\$2.89
	MG Growth Estimate		12.47%
	MG Value		\$96.51
	MG Value based on 3% Growth		\$41.84
	MG Value based on 0% Growth		\$24.53
	Market Implied Growth Rate		10.13%
MG Opinion			
	Current Price		\$83.01
	% of Intrinsic Value		86.02%
	Opinion	Fairly Valued	
Stage 3: Infe	ormation for Further Research		
-	Net Current Asset Value (NCAV)		-\$0.33

	Net Current Asset Value (NCAV)		-\$0.33
	Graham Number		\$25.92
	PEmg		28.77
	Current Ratio		2.09
	PB Ratio		8.75
	Dividend Yield		1.11%
	Number of Consecutive Years of Divic Growth	end	2
inks:	ModernGraham tagged articles	Morningstar	

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	Google Finance	MSN Money	
	Yahoo Finance	Seeking Alpha	
	GuruFocus	SEC Filings	

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.10	Next Fiscal Year Estimate	\$2.89
Jun15	\$2.82	Jun15	\$2.68
Jun14	\$3.06	Jun14	\$2.45
Jun13	\$2.58	Jun13	\$1.98
Jun12	\$2.16	Jun12	\$1.58
Jun11	\$1.74	Jun11	\$1.24
Jun10	\$1.19	Jun10	\$0.96
Jun09	\$0.55	Jun09	\$0.85
Jun08	\$1.20	Jun08	\$0.97
Jun07	\$1.08	Jun07	\$0.83
Jun06	\$0.56	Jun06	\$0.68
Jun05	\$0.89	Jun05	\$0.71
Jun04	\$0.74	Jun04	\$0.60
Jun03	\$0.63	Jun03	\$0.53
Jun02	\$0.35	Jun02	\$0.49
Jun01	\$0.58	Jun01	\$0.54
Jun00	\$0.60	Jun00	\$0.49
Jun99	\$0.52	Balance Sheet Information	Jun15
Jun98	\$0.45	Total Current Assets	\$4,468,500,000
Jun97	\$0.37	Total Current Liabilities	\$2,135,600,000
Jun96	\$0.30	Long-Term Debt	\$1,607,500,000
		Total Assets	\$8,239,200,000
		Intangible Assets	\$1,471,400,000
		Total Liabilities	\$4,596,000,000
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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.

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Other	International Flavors & Fragrances Inc. Analysis – August 2015 Update \$IFF
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companies	International Flavors & Fragrances Inc. Quarterly Valuation – May 2015 \$IFF
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	Proctor & Gamble Annual Valuation – 2015 \$PG
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