

ModernGraham Valuation

Company Name:

Company Ticker KORS

Date of Analysis

10/2/2015

Michael Kors
Holdings Ltd



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	\$7,872,274,997	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.35	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	38033.33%	Pass
6. Moderate PEmg Ratio	PEmg < 20	12.21	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.99	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	5.35	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.41
MG Growth Estimate	15.00%
MG Value	\$131.41
MG Value based on 3% Growth	\$49.49
MG Value based on 0% Growth	\$29.01
Market Implied Growth Rate	1.85%

MG Opinion

Current Price	\$41.66
% of Intrinsic Value	31.70%
Opinion	Undervalued

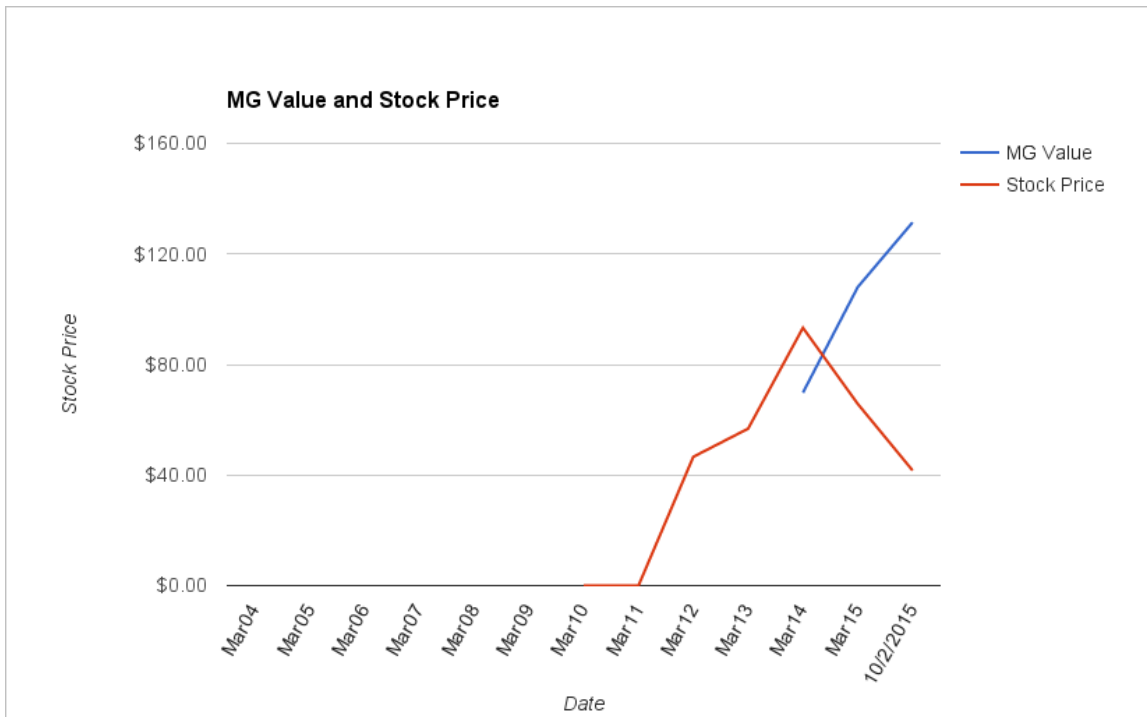
Stage 3: Information for Further Research

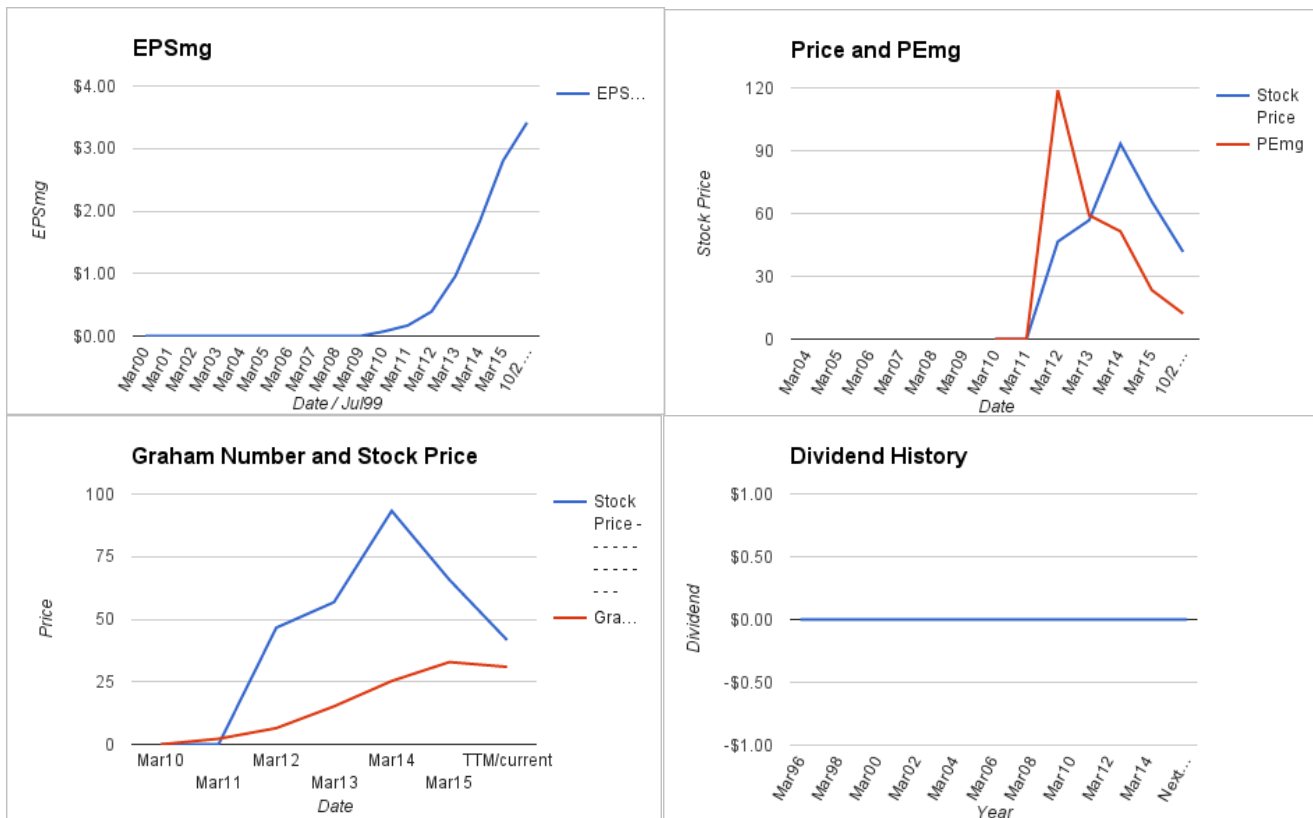
Net Current Asset Value (NCAV)	\$6.73
Graham Number	\$30.94
PEmg	12.21
Current Ratio	5.35
PB Ratio	3.99
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.94	Next Fiscal Year Estimate	\$3.41
Mar15	\$4.28	Mar15	\$2.81
Mar14	\$3.22	Mar14	\$1.81
Mar13	\$1.97	Mar13	\$0.96
Mar12	\$0.78	Mar12	\$0.39
Mar11	\$0.33	Mar11	\$0.17
Mar10	\$0.22	Mar10	\$0.07
Mar09	\$0.00	Mar09	\$0.00
Mar08	\$0.00	Mar08	\$0.00
Mar07	\$0.00	Mar07	\$0.00
Mar06	\$0.00	Mar06	\$0.00
Mar05	\$0.00	Mar05	\$0.00
Mar04	\$0.00	Mar04	\$0.00
Mar03	\$0.00	Mar03	\$0.00
Mar02	\$0.00	Mar02	\$0.00
Mar01	\$0.00	Mar01	\$0.00
Mar00	\$0.00	Mar00	\$0.00
Mar99	\$0.00	Balance Sheet Information	Jun15
Mar98	\$0.00	Total Current Assets	\$1,813,851,000
Mar97	\$0.00	Total Current Liabilities	\$339,000,000
Mar96	\$0.00	Long-Term Debt	\$0
		Total Assets	\$2,556,668,000
		Intangible Assets	\$82,904,000
		Total Liabilities	\$467,479,000
		Shares Outstanding (Diluted Average)	200,054,000





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

[The Best Companies of the Apparel Industry – June 2015 \\$GPS \\$HBI \\$KORS \\$RL \\$VFC](#)

[5 Undervalued Companies for Enterprising Investors Near 52 Week Lows – July 2015](#)

[Michael Kors Holdings Analysis – June 2015 Update \\$KORS](#)

[5 Undervalued Companies for the Enterprising Investor Near 52 Week Lows – May 2015](#)

[5 Undervalued Companies for the Enterprising Investor Near 52 Week Lows – April 2015](#)

Other ModernGraham posts about related companies

[Wolverine World Wide Inc. Analysis – September 2015 Update \\$WWW](#)

[Ralph Lauren Corporation Analysis – September 2015 Update \\$RL](#)

[Gap Inc Analysis – September 2015 Update \\$GPS](#)

[VF Corporation Analysis – September 2015 Update \\$VFC](#)

[L Brands Inc. Analysis – August 2015 Update \\$LB](#)

[Abercrombie & Fitch Company Analysis – Initial Coverage \\$ANF](#)

[Nike Inc. Analysis – August 2015 Update \\$NKE](#)

[The Best Companies of the Apparel Industry – June 2015 \\$GPS \\$HBI \\$KORS \\$RL \\$VFC](#)

[American Eagle Outfitters Analysis – Initial Coverage \\$AEO](#)

[Under Armour Inc. Analysis – Initial Coverage \\$UA](#)