

ModernGraham Valuation

Company Name:

Tiffany & Co.

Company Ticker TIF

Date of Analysis

10/13/2015



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	\$10,281,235,746	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.83	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	52.72%	Pass
6. Moderate PEmg Ratio	PEmg < 20	24.53	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.55	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	5.83	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.29	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	\$3.22
MG Growth Estimate	2.81%
MG Value	\$45.44
MG Value based on 3% Growth	\$46.64
MG Value based on 0% Growth	\$27.34
Market Implied Growth Rate	8.01%

MG Opinion

Current Price	\$78.89
% of Intrinsic Value	173.61%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$10.12
Graham Number	\$43.91
PEmg	24.53
Current Ratio	5.83
PB Ratio	3.55
Dividend Yield	1.95%
Number of Consecutive Years of Dividend Growth	13

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	\$3.84	Next Fiscal Year Estimate	\$3.22
Jan15	\$3.73	Jan15	\$2.91
Jan14	\$1.41	Jan14	\$2.54
Jan13	\$3.25	Jan13	\$2.96
Jan12	\$3.40	Jan12	\$2.71
Jan11	\$2.87	Jan11	\$2.30
Jan10	\$2.11	Jan10	\$1.99
Jan09	\$1.74	Jan09	\$1.93
Jan08	\$2.34	Jan08	\$1.98
Jan07	\$1.80	Jan07	\$1.76
Jan06	\$1.75	Jan06	\$1.67
Jan05	\$2.05	Jan05	\$1.56
Jan04	\$1.45	Jan04	\$1.29
Jan03	\$1.28	Jan03	\$1.16
Jan02	\$1.15	Jan02	\$1.03
Jan01	\$1.26	Jan01	\$0.90
Jan00	\$0.97	Jan00	\$0.67
Jan99	\$0.63	Balance Sheet Information Jul15	
Jan98	\$0.50	Total Current Assets	\$3,613,700,000
Jan97	\$0.42	Total Current Liabilities	\$619,400,000
Jan96	\$0.31	Long-Term Debt	\$878,600,000
		Total Assets	\$5,180,500,000
		Intangible Assets	\$0
		Total Liabilities	\$2,302,500,000
		Shares Outstanding (Diluted Average)	129,600,000





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

- [Tiffany & Company Analysis – July 2015 Update \\$TIF](#)
- [27 Companies in the Spotlight This Week – 4/4/15](#)
- [Tiffany & Company Quarterly Valuation – March 2015 \\$TIF](#)
- [26 Companies in the Spotlight This Week – 12/13/14](#)
- [Tiffany & Company Quarterly Valuation – December 2014 \\$TIF](#)

Other ModernGraham posts about related companies

- [Urban Outfitters Inc. Analysis – October 2015 Update \\$URBN](#)
- [Staples Inc. Analysis – September 2015 Update \\$SPLS](#)
- [Fossil Group Inc. Analysis – September 2015 Update \\$FOSL](#)
- [Ross Stores Inc. Analysis – August 2015 Update \\$ROST](#)
- [The Best Companies of the Retail Industry – August 2015](#)
- [Bed Bath & Beyond Inc. Analysis – August 2015 Update \\$BBBY](#)
- [Ann Inc. Analysis – Initial Coverage \\$ANN](#)
- [Kohl's Corporation Analysis – August 2015 Update \\$KSS](#)
- [Aaron's Inc. Analysis – Initial Coverage \\$AAN](#)
- [Nordstrom Inc. Analysis – July 2015 Update \\$JWN](#)