

ModernGraham Valuation

Company Name:

Company Ticker KORS
Date of Analysis

Michael Kors
Holdings Ltd

1/5/2016



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	\$7,430,117,013	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.20	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	38533.33%	Pass
6. Moderate PEmg Ratio	PEmg < 20	11.76	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.14	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	4.20	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	\$3.46
MG Growth Estimate	15.00%
MG Value	\$133.34
MG Value based on 3% Growth	\$50.22
MG Value based on 0% Growth	\$29.44
Market Implied Growth Rate	1.63%

MG Opinion

Current Price	\$40.72
% of Intrinsic Value	30.54%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$5.68
Graham Number	\$30.70
PEmg	11.76
Current Ratio	4.20
PB Ratio	4.14
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	\$4.09	Next Fiscal Year Estimate	\$3.46
Mar15	\$4.28	Mar15	\$2.81
Mar14	\$3.22	Mar14	\$1.82
Mar13	\$1.97	Mar13	\$0.97
Mar12	\$0.78	Mar12	\$0.41
Mar11	\$0.40	Mar11	\$0.19
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 Sep15	
Mar98	\$0.00	Total Current Assets	\$1,624,235,000
Mar97	\$0.00	Total Current Liabilities	\$387,141,000
Mar96	\$0.00	Long-Term Debt	\$4,123,000
		Total Assets	\$2,419,960,000
		Intangible Assets	\$95,460,000
		Total Liabilities	\$535,969,000
		Shares Outstanding (Diluted Average)	191,524,000





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:

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ModernGraham
posts about the
company

[10 Most Undervalued Companies for the Enterprising Investor – November 2015](#)
[13 Best Stocks For Value Investors This Week – 10/3/15](#)
[Michael Kors Holdings Limited Analysis – October 2015 Update \\$KORS](#)
[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](#)

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[Nike Inc. Valuation – November 2015 Update \\$NKE](#)
[American Eagle Outfitters Valuation – November 2015 Update \\$AEO](#)
[Hanesbrands Inc. Valuation – November 2015 Update \\$HBI](#)
[Under Armour Inc Valuation – October 2015 Update \\$UA](#)
[Michael Kors Holdings Limited Analysis – October 2015 Update \\$KORS](#)
[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](#)