

ModernGraham Valuation

Company Name:

Tiffany & Co.

Company Ticker TIF

Date of Analysis

2/1/2016



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	\$8,234,992,247	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.06	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	49.66%	Pass
6. Moderate PEmg Ratio	PEmg < 20	20.37	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.91	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	5.06	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.28	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	\$3.16
MG Growth Estimate	2.48%
MG Value	\$42.49
MG Value based on 3% Growth	\$45.77
MG Value based on 0% Growth	\$26.83
Market Implied Growth Rate	5.93%

MG Opinion

Current Price	\$64.30
% of Intrinsic Value	151.31%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$9.86
Graham Number	\$42.81
PEmg	20.37
Current Ratio	5.06
PB Ratio	2.91
Dividend Yield	2.43%
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	\$3.66	Next Fiscal Year Estimate	\$3.16
Jan2015	\$3.73	Jan2015	\$2.91
Jan2014	\$1.41	Jan2014	\$2.54
Jan2013	\$3.25	Jan2013	\$2.96
Jan2012	\$3.40	Jan2012	\$2.71
Jan2011	\$2.87	Jan2011	\$2.30
Jan2010	\$2.11	Jan2010	\$1.99
Jan2009	\$1.74	Jan2009	\$1.93
Jan2008	\$2.34	Jan2008	\$1.98
Jan2007	\$1.80	Jan2007	\$1.76
Jan2006	\$1.75	Jan2006	\$1.67
Jan2005	\$2.05	Jan2005	\$1.56
Jan2004	\$1.45	Jan2004	\$1.29
Jan2003	\$1.28	Jan2003	\$1.16
Jan2002	\$1.15	Jan2002	\$1.03
Jan2001	\$1.26	Jan2001	\$0.90
Jan2000	\$0.97	Jan2000	\$0.67
Jan1999	\$0.63	Balance Sheet Information Oct2015	
Jan1998	\$0.50	Total Current Assets	\$3,584,800,000
Jan1997	\$0.42	Total Current Liabilities	\$708,500,000
Jan1996	\$0.31	Long-Term Debt	\$798,100,000
		Total Assets	\$5,165,800,000
		Intangible Assets	\$0
		Total Liabilities	\$2,312,400,000
		Shares Outstanding (Diluted Average)	129,100,000





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 and Company Valuation – October 2015 Update \\$TIF](#)
- [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](#)

Other ModernGraham posts about related companies

- [Urban Outfitters Inc Valuation – January 2016 Update \\$URBN](#)
- [CVS Health Corp Valuation – December 2015 Update \\$CVS](#)
- [Ross Stores Inc Valuation – December 2015 Update \\$ROST](#)
- [Bed Bath & Beyond Inc. Valuation – November 2015 Update \\$BBBY](#)
- [Kohl's Corporation Valuation – November 2015 Update \\$KSS](#)
- [Aaron's Inc. Valuation – October 2015 Update \\$AAN](#)
- [Nordstrom Inc. Valuation – October 2015 Update \\$JWN](#)
- [Tractor Supply Company Valuation – October 2015 Update \\$TSCO](#)
- [Coach Inc. Valuation – October 2015 Update \\$COH](#)
- [Dollar Tree Stores Inc. Valuation – October 2015 Update \\$DLTR](#)