

ModernGraham Valuation

Company Name:

Company Ticker KORS
Date of Analysis

Michael Kors
Holdings Ltd

7/9/2016



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 | \$8,956,137,256 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 3.83 | Pass |
| 3. Earnings Stability | Positive EPS for 10 years prior | | Fail |
| 4. Dividend Record | Dividend Payments for 10 years prior | | Fail |
| | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | 5863.64% | Pass |
| 5. Earnings Growth | PEmg < 20 | 12.35 | Pass |
| 6. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 4.76 | Fail |
| 7. Moderate Price to Assets | | | |

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 | 3.83 | 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 | \$4.07 |
| MG Growth Estimate | 15.00% |
| MG Value | \$156.59 |
| MG Value based on 3% Growth | \$58.98 |
| MG Value based on 0% Growth | \$34.57 |
| Market Implied Growth Rate | 1.92% |

MG Opinion

| | |
|----------------------|--------------------|
| Current Price | \$50.23 |
| % of Intrinsic Value | 32.08% |
| Opinion | Undervalued |
| MG Grade | B- |

Stage 3: Information for Further Research

| | |
|--|---------|
| Net Current Asset Value (NCAV) | \$5.81 |
| Graham Number | \$33.46 |
| PEmg | 12.35 |
| Current Ratio | 3.83 |
| PB Ratio | 4.76 |
| Current Dividend | \$0.00 |
| Dividend Yield | 0.00% |
| Number of Consecutive Years of Dividend Growth | 0 |

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| EPS History | | EPSmg History | |
|---------------------------|--------|---|-----------------|
| Next Fiscal Year Estimate | \$4.40 | Next Fiscal Year Estimate | \$4.07 |
| Mar2016 | \$4.44 | Mar2016 | \$3.58 |
| Mar2015 | \$4.28 | Mar2015 | \$2.81 |
| Mar2014 | \$3.22 | Mar2014 | \$1.81 |
| Mar2013 | \$1.97 | Mar2013 | \$0.96 |
| Mar2012 | \$0.78 | Mar2012 | \$0.39 |
| Mar2011 | \$0.33 | Mar2011 | \$0.17 |
| Mar2010 | \$0.22 | Mar2010 | \$0.07 |
| Dec2009 | \$0.00 | Dec2009 | \$0.00 |
| Dec2008 | \$0.00 | Dec2008 | \$0.00 |
| Dec2007 | \$0.00 | Dec2007 | \$0.00 |
| Dec2006 | \$0.00 | Dec2006 | \$0.00 |
| Dec2005 | \$0.00 | Dec2005 | \$0.00 |
| Dec2004 | \$0.00 | Dec2004 | \$0.00 |
| Dec2003 | \$0.00 | Dec2003 | \$0.00 |
| Dec2002 | \$0.00 | Dec2002 | \$0.00 |
| Dec2001 | \$0.00 | Dec2001 | \$0.00 |
| Dec2000 | \$0.00 | Balance Sheet Information 3/1/2016 | |
| Dec1999 | \$0.00 | Total Current Assets | \$1,669,800,000 |
| Dec1998 | \$0.00 | Total Current Liabilities | \$435,500,000 |
| Dec1997 | \$0.00 | Long-Term Debt | \$2,300,000 |
| | | Total Assets | \$2,566,800,000 |
| | | Intangible Assets | \$90,600,000 |
| | | Total Liabilities | \$571,100,000 |
| | | Shares Outstanding (Diluted Average) | 189,054,000 |





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.

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