

ModernGraham Valuation

Company Name:

Tiffany & Co.

Company Ticker TIF

Date of Analysis

8/1/2016



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	\$8,174,289,116	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.91	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	76.53%	Pass
5. Earnings Growth	PEmg < 20	19.73	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.74	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	4.91	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.23
MG Growth Estimate	1.35%
MG Value	\$36.16
MG Value based on 3% Growth	\$46.81
MG Value based on 0% Growth	\$27.44
Market Implied Growth Rate	5.62%

MG Opinion

Current Price	\$63.69
% of Intrinsic Value	176.14%
Opinion	Overvalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$10.41
Graham Number	\$42.02
PEmg	19.73
Current Ratio	4.91
PB Ratio	2.74
Current Dividend	\$1.60
Dividend Yield	2.51%
Number of Consecutive Years of Dividend Growth	14

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.36	Next Fiscal Year Estimate	\$3.23
Jan2016	\$3.59	Jan2016	\$3.13
Jan2015	\$3.73	Jan2015	\$2.91
Jan2014	\$1.41	Jan2014	\$2.54
Jan2013	\$3.25	Jan2013	\$2.96
Jan2012	\$3.40	Jan2012	\$2.70
Jan2011	\$2.87	Jan2011	\$2.28
Jan2010	\$2.11	Jan2010	\$1.96
Jan2009	\$1.74	Jan2009	\$1.90
Jan2008	\$2.20	Jan2008	\$1.93
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	\$0.98	Balance Sheet Information 4/1/2016	
Jan1999	\$0.63	Total Current Assets	\$3,522,200,000
Jan1998	\$0.51	Total Current Liabilities	\$717,800,000
Jan1997	\$0.42	Long-Term Debt	\$790,200,000
		Total Assets	\$5,148,200,000
		Intangible Assets	\$0
		Total Liabilities	\$2,205,300,000
		Shares Outstanding (Diluted Average)	126,500,000





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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