

ModernGraham Valuation

Company Name:

Coty Inc

Company Ticker

COTY

Date of Analysis

2/6/2017



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	\$14,531,101,534	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.12	Fail
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	6233.33%	Pass
5. Earnings Growth	PEmg < 20	37.89	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	25.99	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	1.12	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	18.73	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.51
MG Growth Estimate	15.00%
MG Value	\$19.71
MG Value based on 3% Growth	\$7.42
MG Value based on 0% Growth	\$4.35
Market Implied Growth Rate	14.70%

MG Opinion

Current Price	\$19.40
% of Intrinsic Value	98.42%
Opinion	Fairly Valued
MG Grade	D

Stage 3: Information for Further Research

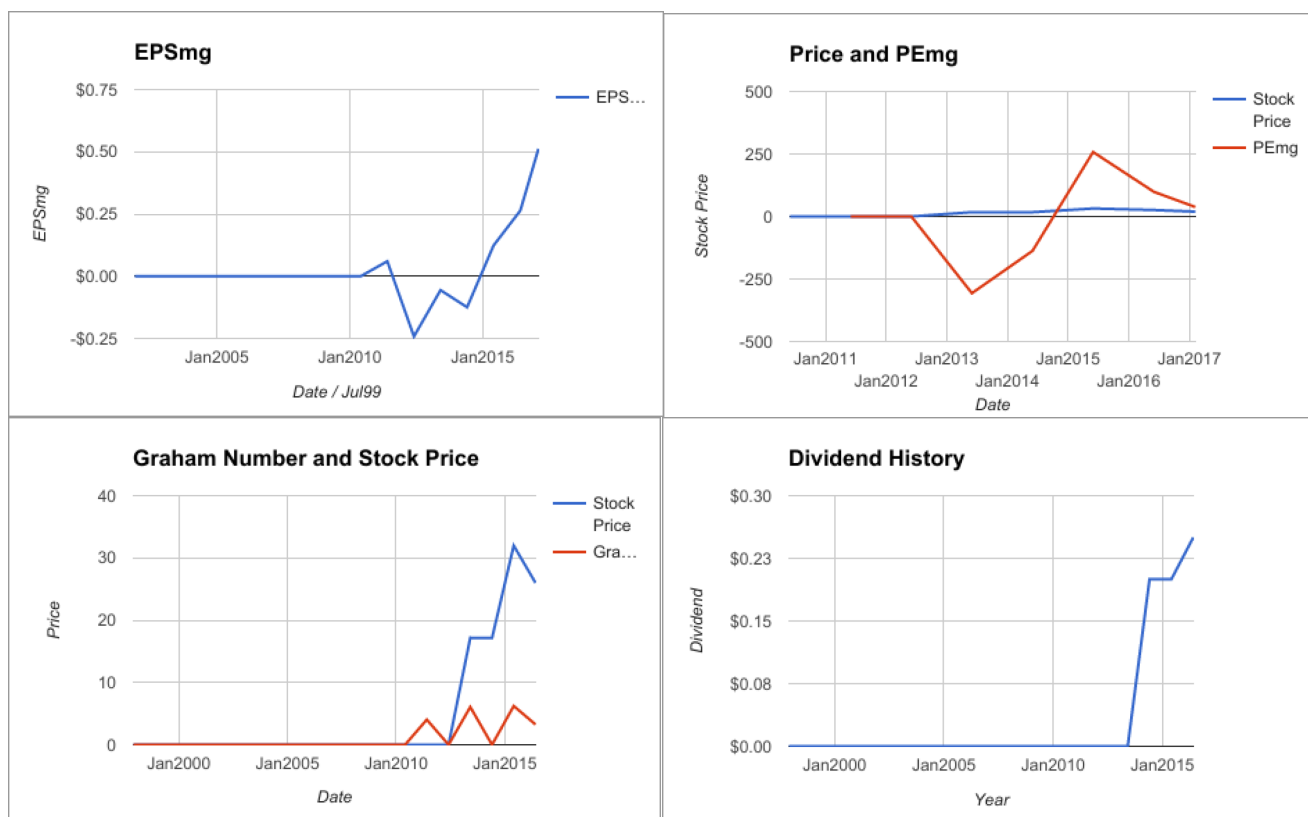
Net Current Asset Value (NCAV)	-\$14.38
Graham Number	\$3.71
PEmg	37.89
Current Ratio	1.12
PB Ratio	25.99
Current Dividend	\$0.28
Dividend Yield	1.42%
Number of Consecutive Years of Dividend Growth	2

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		Next Fiscal Year Estimate	
	\$0.82		\$0.51
Jun2016	\$0.44	Jun2016	\$0.26
Jun2015	\$0.64	Jun2015	\$0.12
Jun2014	-\$0.26	Jun2014	-\$0.12
Jun2013	\$0.42	Jun2013	-\$0.06
Jun2012	-\$0.87	Jun2012	-\$0.24
Jun2011	\$0.18	Jun2011	\$0.06
Jun2010	\$0.00	Jun2010	\$0.00
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 9/1/2016	
Dec1999	\$0.00	Total Current Assets	\$2,107,700,000
Dec1998	\$0.00	Total Current Liabilities	\$1,882,900,000
Dec1997	\$0.00	Long-Term Debt	\$4,210,400,000
		Total Assets	\$7,193,400,000
		Intangible Assets	\$4,230,300,000
		Total Liabilities	\$6,942,400,000
		Shares Outstanding (Diluted Average)	336,300,000





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

#N/A

Other
ModernGraham
posts about related
companies

[Signet Jewelers Ltd Valuation – Initial Coverage \\$SIG](#)
[Inter Parfums Inc Valuation – Initial Coverage \\$IPAR](#)
[Church & Dwight Co Inc Valuation – Initial Coverage \\$CHD](#)
[Service Corporation Intl Valuation – Initial Coverage \\$SCI](#)
[Avon Products Inc Valuation – July 2016 \\$AVP](#)
[Proctor & Gamble Co Valuation – July 2016 \\$PG](#)
[International Flavors & Fragrances Inc Valuation – June 2016 \\$IFF](#)
[Kimberly-Clark Corporation Valuation – June 2016 \\$KMB](#)
[Estee Lauder Companies Inc Valuation – May 2016 \\$EL](#)
[Colgate-Palmolive Co Valuation – January 2016 Update \\$CL](#)