

ModernGraham Valuation

Company Name:

Fossil Group Inc

Company Ticker FOSL

Date of Analysis

3/25/2017



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	\$805,898,203	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.25	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	-12.21%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	5.51	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.79	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	3.25	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.65	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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.97
MG Growth Estimate	-4.25%
MG Value	\$3.45
MG Value based on 3% Growth	\$43.12
MG Value based on 0% Growth	\$25.28
Market Implied Growth Rate	-1.50%

MG Opinion

Current Price	\$16.38
% of Intrinsic Value	475.03%
Opinion	Overvalued
MG Grade	C-

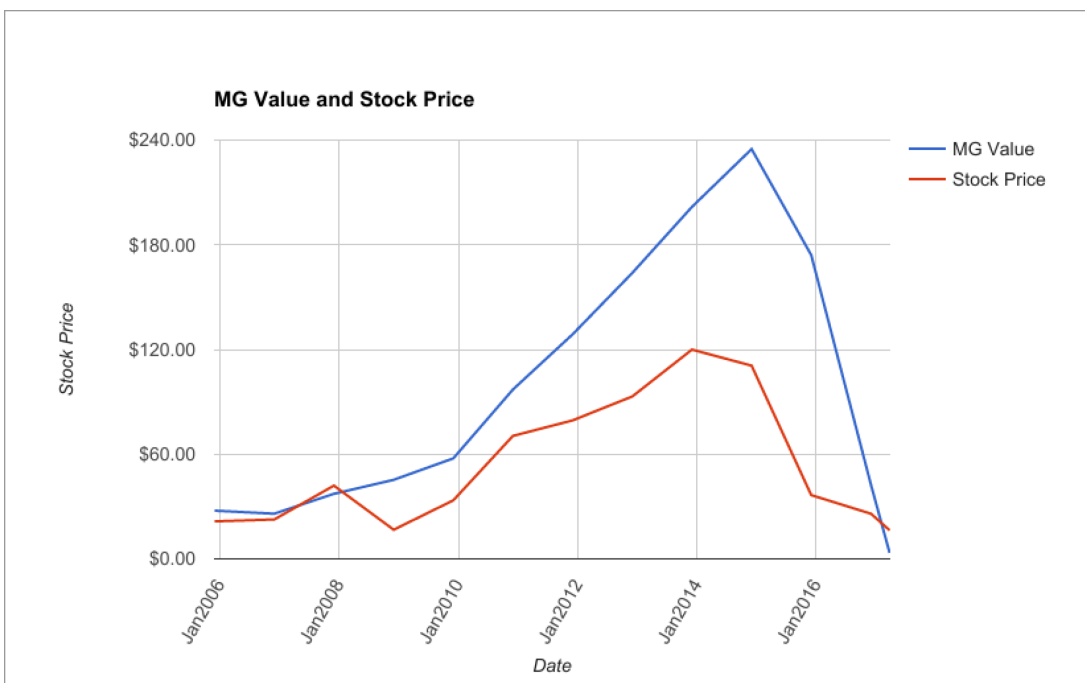
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.45
Graham Number	\$18.91
PEmg	5.51
Current Ratio	3.25
PB Ratio	0.79
Current Dividend	\$0.00
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	\$0.76	Next Fiscal Year Estimate	\$2.97
Dec2016	\$1.63	Dec2016	\$4.41
Dec2015	\$4.51	Dec2015	\$5.76
Dec2014	\$7.10	Dec2014	\$6.10
Dec2013	\$6.56	Dec2013	\$5.24
Dec2012	\$5.59	Dec2012	\$4.26
Dec2011	\$4.61	Dec2011	\$3.34
Dec2010	\$3.77	Dec2010	\$2.52
Dec2009	\$2.07	Dec2009	\$1.80
Dec2008	\$2.02	Dec2008	\$1.59
Dec2007	\$1.75	Dec2007	\$1.32
Dec2006	\$1.13	Dec2006	\$1.08
Dec2005	\$1.04	Dec2005	\$1.01
Dec2004	\$1.23	Dec2004	\$0.95
Dec2003	\$0.92	Dec2003	\$0.79
Dec2002	\$0.81	Dec2002	\$0.71
Dec2001	\$0.62	Dec2001	\$0.62
Dec2000	\$0.76	Balance Sheet Information 12/1/2016	
Dec1999	\$0.69	Total Current Assets	\$1,347,290,000
Dec1998	\$0.44	Total Current Liabilities	\$414,585,000
Dec1997	\$0.18	Long-Term Debt	\$609,961,000
		Total Assets	\$2,186,897,000
		Intangible Assets	\$502,387,000
		Total Liabilities	\$1,180,661,000
		Shares Outstanding (Diluted Average)	48,323,000





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

- [10 Undervalued Stocks for the Enterprising Investor – August 2016](#)
- [10 Low PE Stock Picks for the Enterprising Investor – August 2016](#)
- [5 Undervalued Stocks for Value Investors with a High Beta – August 2016](#)
- [10 Most Undervalued Companies for the Enterprising Investor – July 2016](#)
- [10 Low PE Stocks for the Enterprising Investor – July 2016](#)

Other ModernGraham posts about related companies

- [Lumber Liquidators Holdings Inc Valuation – Initial Coverage \\$LL](#)
- [CVS Health Corp Valuation – March 2017 \\$CVS](#)
- [Target Corp Valuation – March 2017 \\$TGT](#)
- [Foot Locker Inc Valuation – Initial Coverage \\$FL](#)
- [Ulta Beauty Inc Valuation – Initial Coverage \\$ULTA](#)
- [Kohl's Corporation Valuation – March 2017 \\$KSS](#)
- [Stamps.com Inc Valuation – Initial Coverage \\$STMP](#)
- [Kirkland's Inc Valuation – Initial Coverage \\$KIRK](#)
- [Dollar Tree Inc Valuation – February 2017 \\$DLTR](#)
- [Staples Inc Valuation – February 2017 \\$SPLS](#)