

# ModernGraham Valuation

Michael Kors  
Holdings Ltd



## Company Name:

Company Ticker KORS

Date of Analysis

3/25/2018

## 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	\$9,306,089,256	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.00	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	1803.23%	Pass
6. Moderate PEmg Ratio	PEmg < 20	15.65	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.55	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	2.00	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.37	Fail
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		Pass

## Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.91
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$150.43</b>
MG Value based on 3% Growth	\$56.66
MG Value based on 0% Growth	\$33.21
Market Implied Growth Rate	3.58%

## MG Opinion

Current Price	\$61.15
% of Intrinsic Value	40.65%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$4.50
Graham Number	\$29.96
PEmg	15.65
Current Ratio	2.00
PB Ratio	4.55
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

## Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.07	Next Fiscal Year Estimate	\$3.91
Mar2017	\$3.29	Mar2017	\$3.70
Mar2016	\$4.44	Mar2016	\$3.58
Mar2015	\$4.28	Mar2015	\$2.81
Mar2014	\$3.22	Mar2014	\$1.82
Mar2013	\$1.97	Mar2013	\$0.97
Mar2012	\$0.78	Mar2012	\$0.41
Mar2011	\$0.40	Mar2011	\$0.19
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	<b>Balance Sheet Information 12/1/2017</b>	
Dec2000	\$0.00	Total Current Assets	\$1,444,600,000
Dec1999	\$0.00	Total Current Liabilities	\$722,100,000
Dec1998	\$0.00	Long-Term Debt	\$992,400,000
		Total Assets	\$4,216,800,000
		Intangible Assets	\$2,037,400,000
		Total Liabilities	\$2,139,900,000
		Shares Outstanding (Diluted Average)	154,623,000





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 [19 Best Stocks For Value Investors This Week – 1/9/16](#)
- ModernGraham [Michael Kors Holdings Ltd Valuation – January 2016 Update \\$KORS](#)
- posts about the [10 Most Undervalued Companies for the Enterprising Investor – November 2015](#)
- company [13 Best Stocks For Value Investors This Week – 10/3/15](#)
- [Michael Kors Holdings Limited Analysis – October 2015 Update \\$KORS](#)

- Other [Foot Locker Inc Valuation – March 2018 \\$FL](#)
- ModernGraham [Under Armour Inc Valuation – March 2018 \\$UA](#)
- posts about related [Hanesbrands Inc Valuation – March 2018 \\$HBI](#)
- companies [L Brands Inc Valuation – March 2018 \\$LB](#)
- [Nike Inc Valuation – February 2018 \\$NKE](#)
- [Nike Inc Valuation – July 2017 \\$NKE](#)
- [Deckers Outdoor Corp Valuation – Initial Coverage \\$DECK](#)
- [Ralph Lauren Corp Valuation – April 2017 \\$RL](#)
- [Abercrombie & Fitch Co Valuation – March 2017 \\$ANF](#)
- [Crocs Inc Valuation – Initial Coverage \\$CROX](#)