

ModernGraham Valuation

Company Name:

Tiffany & Co.

Company Ticker

TIF

Date of Analysis

4/8/2018



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	\$11,890,010,196	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.50	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	26.73%	Fail
5. Earnings Growth	PEmg < 20	26.57	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.70	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	5.50	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.27	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.60
MG Growth Estimate	3.51%
MG Value	\$55.85
MG Value based on 3% Growth	\$52.15
MG Value based on 0% Growth	\$30.57
Market Implied Growth Rate	9.04%

MG Opinion

Current Price	\$95.58
% of Intrinsic Value	171.14%
Opinion	Overvalued
MG Grade	C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$13.98
Graham Number	\$49.01
PEmg	26.57
Current Ratio	5.50
PB Ratio	3.70
Current Dividend	\$1.95
Dividend Yield	2.04%
Number of Consecutive Years of Dividend Growth	15

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Jan2018	\$2.96	Jan2018	\$3.24
Jan2017	\$3.55	Jan2017	\$3.29
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	\$2.71
Jan2011	\$2.87	Jan2011	\$2.30
Jan2010	\$2.11	Jan2010	\$1.99
Jan2009	\$1.74	Jan2009	\$1.93
Jan2008	\$2.34	Jan2008	\$1.98
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	Balance Sheet Information 1/1/2018	
Jan2001	\$1.26	Total Current Assets	\$3,983,300,000
Jan2000	\$0.97	Total Current Liabilities	\$724,800,000
Jan1999	\$0.63	Long-Term Debt	\$882,900,000
		Total Assets	\$5,468,100,000
		Intangible Assets	\$66,700,000
		Total Liabilities	\$2,234,700,000
		Shares Outstanding (Diluted Average)	125,100,000





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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