ModernGraham Valuation

Company Name:

Company Ticker

Date of Analysis

Tapestry Inc



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

4/9/2018

Defensive Investor; must pass 6 out of the following 7 tests.

TPR

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$14,987,663,711 Pass	s
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.90 Fail	
3. Earnings Stability	Positive EPS for 10 years prior	Pass	s
4. Dividend Record	Dividend Payments for 10 years prior	Fail	
	Increase of 33% in EPS in past 10 years using 3 year averages at		
5. Earnings Growth	beginning and end	-31.28% Fail	
Moderate PEmg Ratio	PEmg < 20	31.69 Fail	
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.11 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	1.90 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.22 Fail
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	Fail

Score

Suitability

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.66
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$24.07
MG Value based on 0% Growth	\$14.11
Market Implied Growth Rate	11.60%

MG Opinion

Current Price \$52.61 % of Intrinsic Value N/A

Opinion Overvalued MG Grade

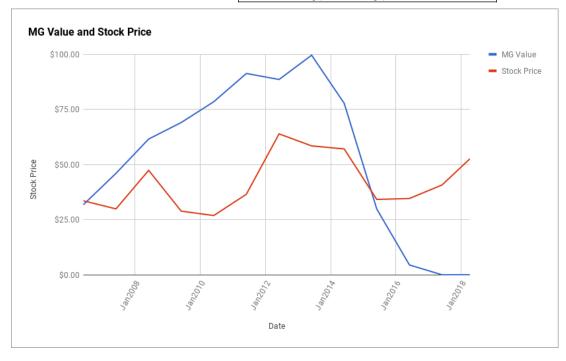
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$4.36
Graham Number	\$16.84
PEmg	31.69
Current Ratio	1.90
PB Ratio	5.11
Current Dividend	\$1.35
Dividend Yield	2.57%
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	•	Next Fiscal Year Estimate	\$1.66
Jun2017	\$2.09	Jun2017	\$2.04
Jun2016	\$1.65	Jun2016	\$2.21
Jun2015	\$1.45	Jun2015	\$2.61
Jun2014	\$2.79	Jun2014	\$3.14
Jun2013	\$3.61	Jun2013	\$3.17
Jun2012	\$3.53	Jun2012	\$2.82
Jun2011	\$2.92	Jun2011	\$2.38
Jun2010	\$2.33	Jun2010	\$2.04
Jun2009	\$1.91	Jun2009	\$1.79
Jun2008	\$2.17	Jun2008	\$1.60
Jun2007	\$1.76	Jun2007	\$1.20
Jun2006	\$1.27	Jun2006	\$0.83
Jun2005	\$0.86	Jun2005	\$0.55
Jun2004	\$0.57	Jun2004	\$0.36
Jun2003	\$0.33	Jun2003	\$0.23
Jun2002	\$0.24	Jun2002	\$0.17
Jun2001	\$0.19	Balance Sheet Information	12/1/2017
Jun2000	\$0.14	Total Current Assets	\$3,282,300,000
Jun1999	\$0.06	Total Current Liabilities	\$1,731,400,000
Jun1998	\$0.07	Long-Term Debt	\$1,887,500,000
		Total Assets	\$7,481,200,000
		Intangible Assets	\$3,147,700,000
		Total Liabilities	\$4,531,800,000
		Shares Outstanding (Diluted Average)	286,400,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author held a long position in TPR 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 Coach Inc Valuation – February 2016 Update \$COH
Coach Inc. Valuation – October 2015 Update \$COH
The Best Companies of the Retail Industry – August 2015
The 20 Best Stocks For Value Investors This Week – 7/25/15

Coach Inc. Analysis - July 2015 Update \$COH

Other ModernGraham posts about related companies <u>Tiffany & Co. Valuation – April 2018 \$TIF</u>

Best Buy Co Inc Valuation – April 2018 \$BBY

Macy's Inc Valuation – April 2018 \$M
Walgreens Boots Alliance Inc Valuation – March 2018 \$WBA
Bed Bath & Beyond Inc Valuation – March 2018 \$BBBY
Ross Stores Inc Valuation – March 2018 \$ROST
Nordstrom Inc Valuation – February 2018 \$JWN
Walmart Inc Valuation – February 2018 \$WMT
Costco Wholesale Corp Valuation – September 2017 \$COST

McKesson Corp Valuation – August 2017 \$MCK