

ModernGraham Valuation

Company Name:

Tapestry Inc

Company Ticker TPR

Date of Analysis

4/9/2018



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	\$14,987,663,711	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.90	Fail
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	-31.28%	Fail
5. Earnings Growth			
6. 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	D+

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	\$1.18	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	
Jun2000	\$0.14	12/1/2017	
Jun1999	\$0.06	Total Current Assets	\$3,282,300,000
Jun1998	\$0.07	Total Current Liabilities	\$1,731,400,000
		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

- [Tiffany & Co. Valuation – April 2018 \\$TIF](#)
- [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](#)