

ModernGraham Valuation

Company Name:

Coty Inc

Company Ticker COTY

Date of Analysis

5/15/2018



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	\$10,535,593,713	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.99	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-366.67%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	526.88	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.11	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	0.99	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-244.51	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.03
MG Growth Estimate	0.79%
MG Value	\$0.27
MG Value based on 3% Growth	\$0.39
MG Value based on 0% Growth	\$0.23
Market Implied Growth Rate	259.19%

MG Opinion

Current Price	\$14.05
% of Intrinsic Value	5227.48%
Opinion	Overvalued
MG Grade	D

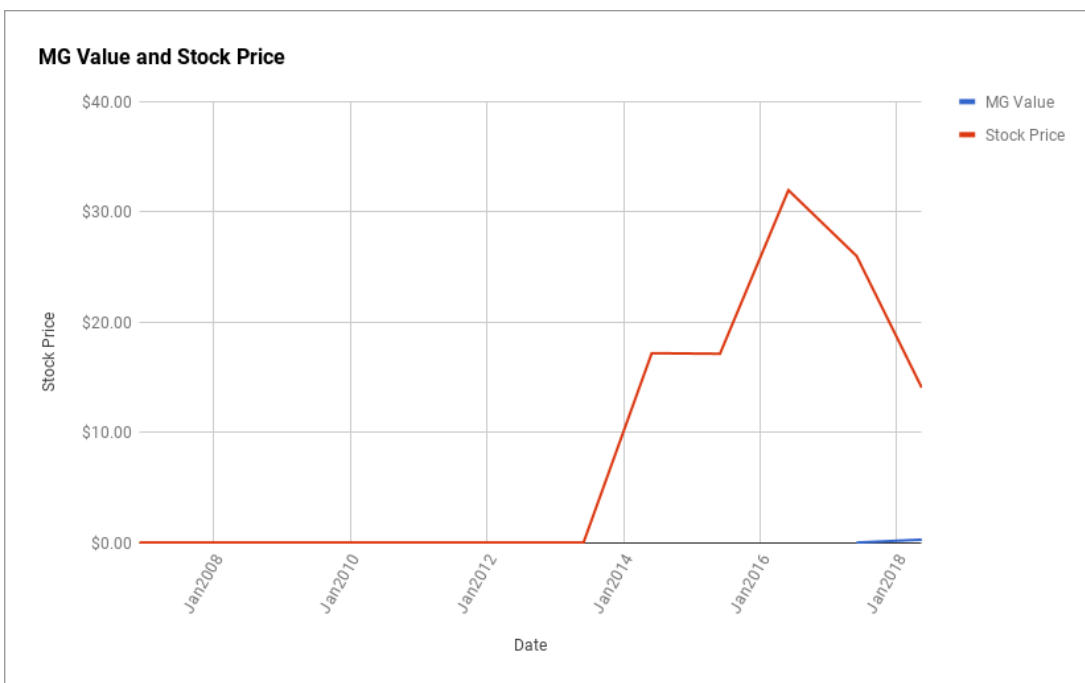
Stage 3: Information for Further Research

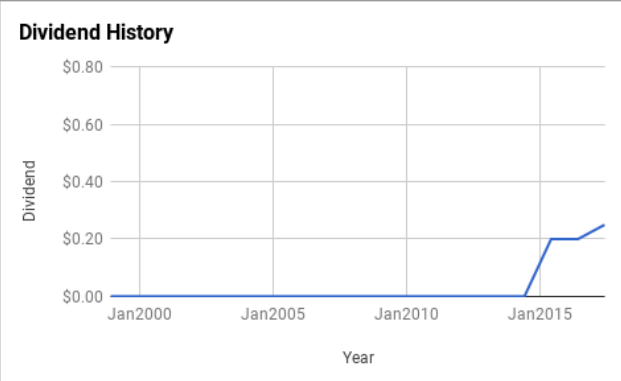
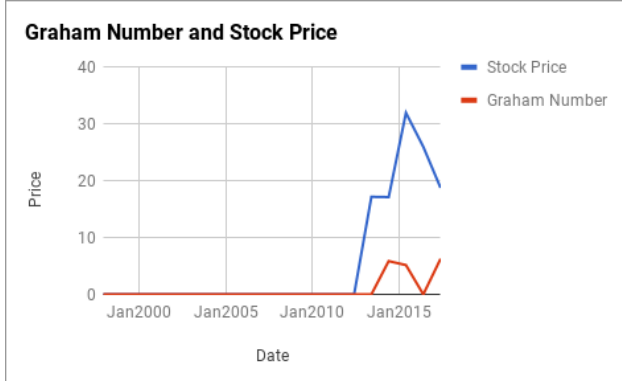
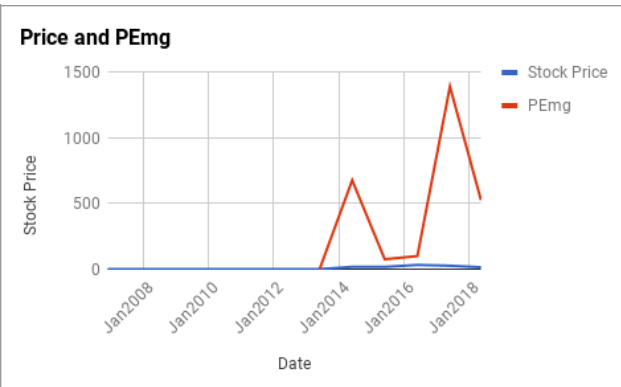
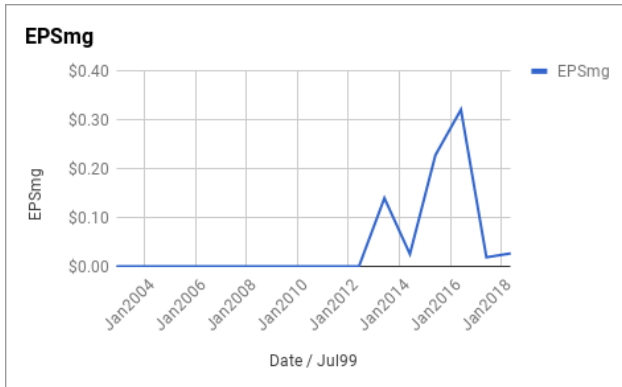
Net Current Asset Value (NCAV)	-\$13.80
Graham Number	\$6.26
PEmg	526.88
Current Ratio	0.99
PB Ratio	1.11
Current Dividend	\$0.65
Dividend Yield	4.63%
Number of Consecutive Years of Dividend Growth	2

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	\$0.14	Next Fiscal Year Estimate	\$0.03
Jun2017	-\$0.66	Jun2017	\$0.02
Jun2016	\$0.44	Jun2016	\$0.32
Jun2015	\$0.64	Jun2015	\$0.23
Jun2014	-\$0.26	Jun2014	\$0.03
Jun2013	\$0.42	Jun2013	\$0.14
Jun2012	\$0.00	Jun2012	\$0.00
Jun2011	\$0.00	Jun2011	\$0.00
Jun2010	\$0.00	Jun2010	\$0.00
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	Balance Sheet Information 3/1/2018	
Dec2000	\$0.00	Total Current Assets	\$3,910,600,000
Dec1999	\$0.00	Total Current Liabilities	\$3,941,800,000
Dec1998	\$0.00	Long-Term Debt	\$7,628,600,000
		Total Assets	\$23,765,000,000
		Intangible Assets	\$17,634,900,000
		Total Liabilities	\$14,265,700,000
		Shares Outstanding (Diluted Average)	750,100,000





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.

Recommended Reading:

Other ModernGraham posts about the company [Coty Inc Valuation – Initial Coverage \\$COTY](#)

- Other ModernGraham posts about related companies**
- [Church & Dwight Co Inc Valuation – April 2018 \\$CHD](#)
 - [Kimberly-Clark Corp Valuation – March 2018 \\$KMB](#)
 - [International Flavors & Fragrances Inc Valuation – March 2018 \\$IFF](#)
 - [Signet Jewelers Ltd Valuation – March 2018 \\$SIG](#)
 - [Estee Lauder Companies Inc Valuation – February 2018 \\$EL](#)
 - [Proctor & Gamble Co Valuation – February 2018 \\$PG](#)
 - [Colgate-Palmolive Co. Valuation – April 2017 \\$CL](#)
 - [Coty Inc Valuation – Initial Coverage \\$COTY](#)
 - [Signet Jewelers Ltd Valuation – Initial Coverage \\$SIG](#)
 - [Inter Parfums Inc Valuation – Initial Coverage \\$IPAR](#)