

ModernGraham Valuation

Company Name:

Avon Products, Inc.

Company Ticker AVP

Date of Analysis

6/30/2018



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	\$702,271,701	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.23	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	-105.55%	Fail
5. Earnings Growth	PEmg < 20	-3.68	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	-2.62	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	1.23	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.09	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.44
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$6.39
MG Value based on 0% Growth	-\$3.75
Market Implied Growth Rate	-6.09%

MG Opinion

Current Price	\$1.62
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

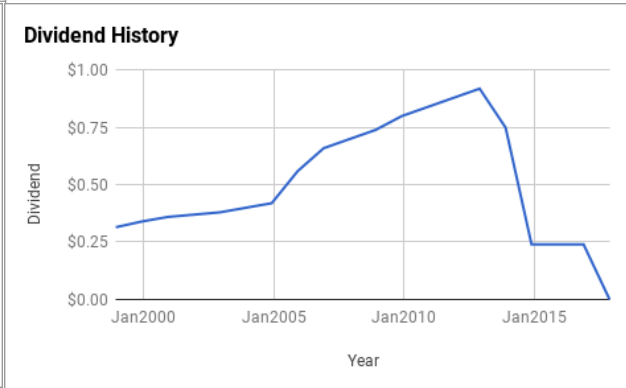
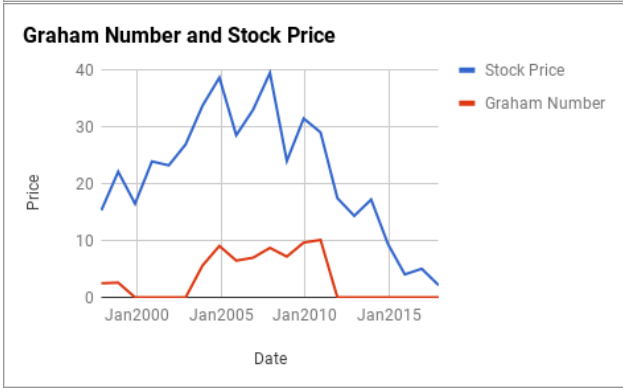
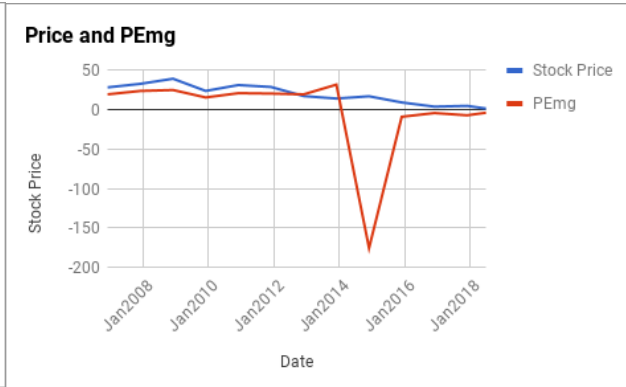
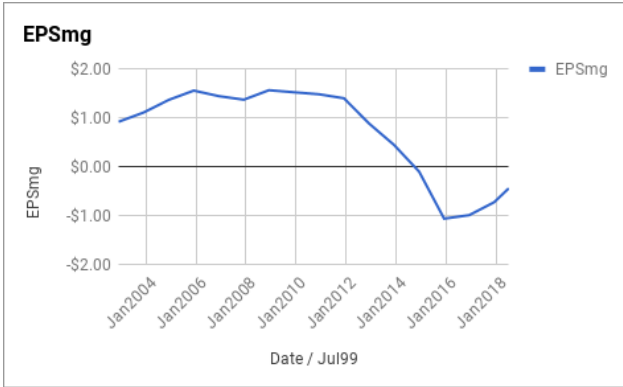
Net Current Asset Value (NCAV)	-\$4.00
Graham Number	\$0.00
PEmg	-3.68
Current Ratio	1.23
PB Ratio	-2.62
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$0.07	Next Fiscal Year Estimate	-\$0.44
Dec2017	\$0.00	Dec2017	-\$0.72
Dec2016	-\$0.29	Dec2016	-\$0.99
Dec2015	-\$2.60	Dec2015	-\$1.06
Dec2014	-\$0.88	Dec2014	-\$0.10
Dec2013	-\$0.13	Dec2013	\$0.45
Dec2012	-\$0.10	Dec2012	\$0.89
Dec2011	\$1.18	Dec2011	\$1.41
Dec2010	\$1.39	Dec2010	\$1.49
Dec2009	\$1.45	Dec2009	\$1.53
Dec2008	\$2.03	Dec2008	\$1.57
Dec2007	\$1.21	Dec2007	\$1.38
Dec2006	\$1.06	Dec2006	\$1.45
Dec2005	\$1.81	Dec2005	\$1.56
Dec2004	\$1.77	Dec2004	\$1.37
Dec2003	\$1.39	Dec2003	\$1.11
Dec2002	\$1.11	Dec2002	\$0.92
Dec2001	\$0.93	Balance Sheet Information 3/1/2018	
Dec2000	\$1.00	Total Current Assets	\$2,149,500,000
Dec1999	\$0.55	Total Current Liabilities	\$1,750,800,000
Dec1998	\$0.51	Long-Term Debt	\$1,629,600,000
		Total Assets	\$3,640,400,000
		Intangible Assets	\$186,700,000
		Total Liabilities	\$3,913,200,000
		Shares Outstanding (Diluted Average)	440,900,000





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

- [Avon Products Inc Valuation – July 2016 \\$AVP](#)
- [58 Companies in the Spotlight This Week – 1/31/15](#)
- [Avon Products Inc. Annual Valuation – 2015 \\$AVP](#)
- [14 Companies in the Spotlight This Week – 1/11/14](#)
- [ModernGraham Valuation: Avon Products Inc. \(AVP\)](#)

Other ModernGraham posts about related companies

- [Colgate-Palmolive Co Valuation – June 2018 \\$CL](#)
- [Coty Inc Valuation – May 2018 \\$COTY](#)
- [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](#)