

ModernGraham Valuation

Company Name:

Fossil Group Inc

Company Ticker FOSL

Date of Analysis

6/9/2018



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	\$1,398,383,974	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.21	Pass
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	-196.46%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-15.40	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.63	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	2.21	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.53	Pass
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	-\$1.84
MG Growth Estimate	-4.25%
MG Value	\$3.43
MG Value based on 3% Growth	-\$26.75
MG Value based on 0% Growth	-\$15.68
Market Implied Growth Rate	-11.95%

MG Opinion

Current Price	\$28.40
% of Intrinsic Value	826.87%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.43
Graham Number	\$0.00
PEmg	-15.40
Current Ratio	2.21
PB Ratio	2.63
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	-1.84	Next Fiscal Year Estimate	-1.84
Dec2017	-9.87	Dec2017	-0.57
Dec2016	\$1.63	Dec2016	\$4.41
Dec2015	\$4.51	Dec2015	\$5.76
Dec2014	\$7.10	Dec2014	\$6.10
Dec2013	\$6.56	Dec2013	\$5.24
Dec2012	\$5.59	Dec2012	\$4.26
Dec2011	\$4.61	Dec2011	\$3.34
Dec2010	\$3.77	Dec2010	\$2.52
Dec2009	\$2.07	Dec2009	\$1.80
Dec2008	\$2.02	Dec2008	\$1.59
Dec2007	\$1.75	Dec2007	\$1.32
Dec2006	\$1.13	Dec2006	\$1.08
Dec2005	\$1.04	Dec2005	\$1.01
Dec2004	\$1.23	Dec2004	\$0.95
Dec2003	\$0.92	Dec2003	\$0.79
Dec2002	\$0.81	Dec2002	\$0.71
Dec2001	\$0.62	Balance Sheet Information 3/1/2018	
Dec2000	\$0.76	Total Current Assets	\$1,156,424,000
Dec1999	\$0.69	Total Current Liabilities	\$523,897,000
Dec1998	\$0.44	Long-Term Debt	\$335,536,000
		Total Assets	\$1,515,671,000
		Intangible Assets	\$83,880,000
		Total Liabilities	\$989,116,000
		Shares Outstanding (Diluted Average)	48,712,000





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

- [Fossil Group Inc Valuation – March 2017 \\$FOSL](#)
- [10 Stocks for Using A Benjamin Graham Value Investing Strategy – March 2017](#)
- [10 Low PE Stock Picks for the Enterprising Investor – March 2017](#)
- [5 Companies for Enterprising Investors Near 52 Week Lows – March 2017](#)
- [Best Stocks Below Their Graham Number – February 2017](#)

Other ModernGraham posts about related companies

- [Stamps.com Inc Valuation – June 2018 \\$STMP](#)
- [Kirkland's Inc Valuation – June 2018 \\$KIRK](#)
- [Stein Mart Inc Valuation – June 2018 \\$SMRT](#)
- [JC Penney Company Valuation – June 2018 \\$JCP](#)
- [Shoe Carnival Inc Valuation – June 2018 \\$SCVL](#)
- [Aaron's Inc Valuation – June 2018 \\$AAN](#)
- [GameStop Corp Valuation – June 2018 \\$GME](#)
- [Urban Outfitters Inc Valuation – June 2018 \\$URBN](#)
- [Ulta Beauty Inc Valuation – June 2018 \\$ULTA](#)
- [Kohl's Corporation Valuation – June 2018 \\$KSS](#)