

# ModernGraham Valuation

Company Name:

Inter Parfums, Inc.

Company Ticker IPAR

Date of Analysis

7/27/2018



## 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  | \$1,887,816,013 | Fail |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2  | 3.36            | Pass |
| 3. Earnings Stability                      | Positive EPS for 10 years prior  |                 | Pass |
| 4. Dividend Record                         | Dividend Payments for 10 years prior   |                 | Pass |
|  | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | 50.00%          | Pass |
| 5. Earnings Growth                         |  |                 |      |
| 6. Moderate PEmg Ratio                     | PEmg < 20  | 46.14           | Fail |
| 7. Moderate Price to Assets                | PB Ratio < 2.5 OR PB*PEmg < 50   | 3.12            | 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            | 3.36 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1              | 0.08 | Pass |
| 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

|                     |            |
|---------------------|------------|
| <b>Defensive</b>    | <b>No</b>  |
| <b>Enterprising</b> | <b>Yes</b> |

## Stage 2: Determination of Intrinsic Value

|                             |                |
|-----------------------------|----------------|
| EPSmg                       | \$1.29         |
| MG Growth Estimate          | -3.63%         |
| <b>MG Value</b>             | <b>\$11.66</b> |
| MG Value based on 3% Growth | \$18.74        |
| MG Value based on 0% Growth | \$10.99        |
| Market Implied Growth Rate  | 18.82%         |

### MG Opinion

|                      |                   |
|----------------------|-------------------|
| Current Price        | \$59.65           |
| % of Intrinsic Value | 511.70%           |
| <b>Opinion</b>       | <b>Overvalued</b> |
| <b>MG Grade</b>      | <b>C</b>          |

## Stage 3: Information for Further Research

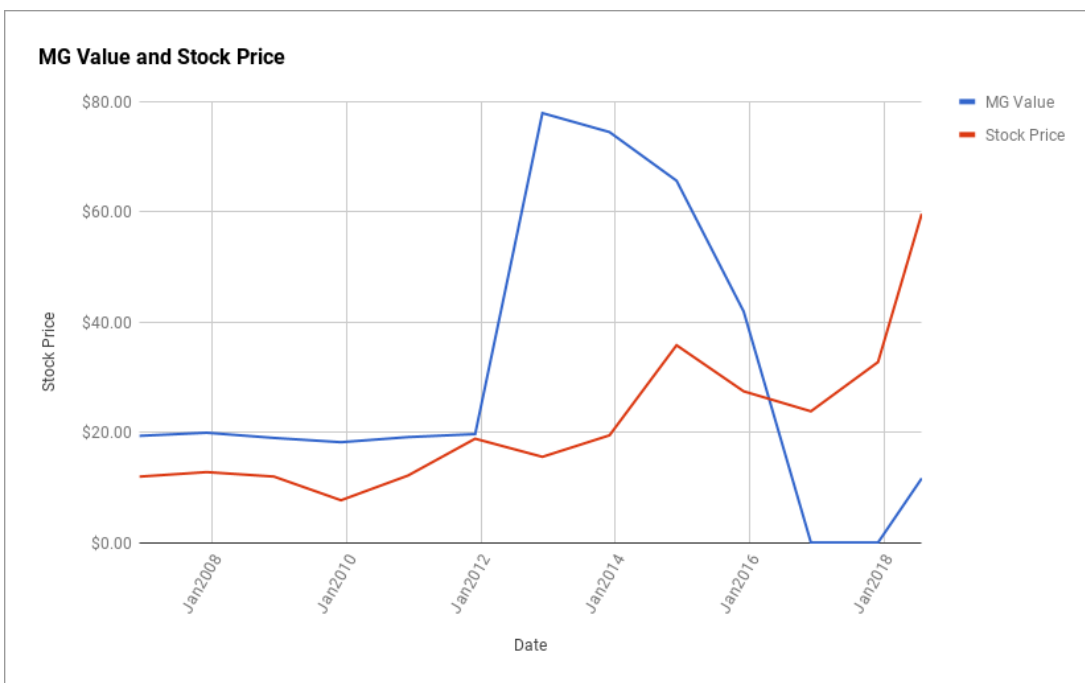
|  |         |
|--|---------|
| Net Current Asset Value (NCAV)                 | \$11.66 |
| Graham Number                                  | \$22.28 |
| PEmg   | 46.14   |
| Current Ratio                                  | 3.36    |
| PB Ratio                                       | 3.12    |
| Current Dividend                               | \$0.72  |
| Dividend Yield                                 | 1.21%   |
| Number of Consecutive Years of Dividend Growth | 3       |

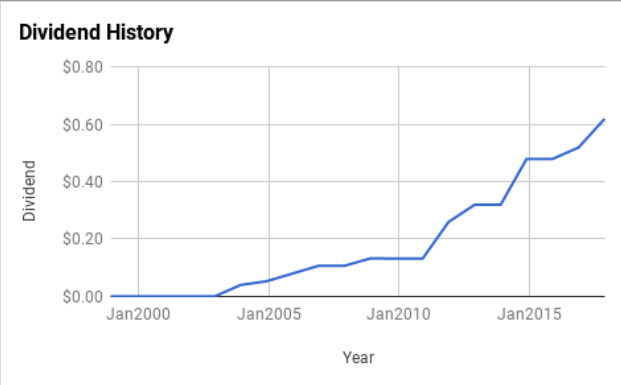
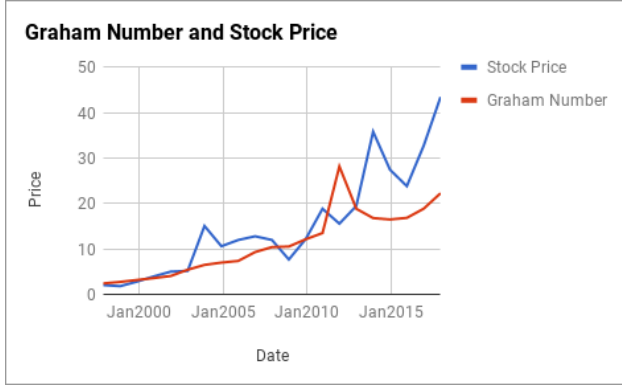
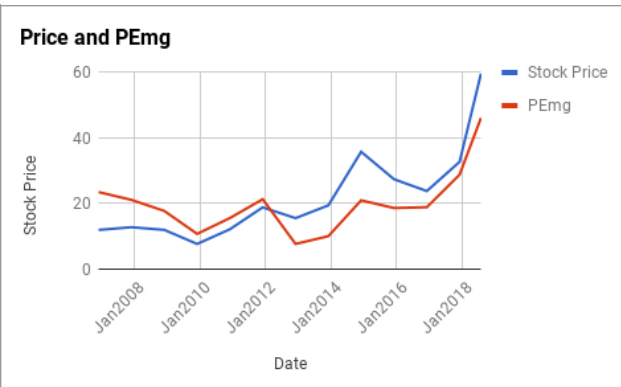
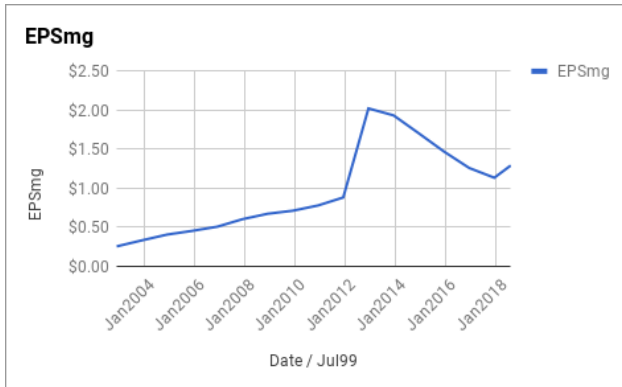
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| EPS History               |        | EPSmg History                             |               |
|---------------------------|--------|---|---------------|
| Next Fiscal Year Estimate | \$1.59 | Next Fiscal Year Estimate                 | \$1.29        |
| Dec2017                   | \$1.33 | Dec2017                                   | \$1.14        |
| Dec2016                   | \$1.07 | Dec2016                                   | \$1.26        |
| Dec2015                   | \$0.98 | Dec2015                                   | \$1.47        |
| Dec2014                   | \$0.95 | Dec2014                                   | \$1.71        |
| Dec2013                   | \$1.27 | Dec2013                                   | \$1.93        |
| Dec2012                   | \$4.26 | Dec2012                                   | \$2.02        |
| Dec2011                   | \$1.05 | Dec2011                                   | \$0.88        |
| Dec2010                   | \$0.87 | Dec2010                                   | \$0.78        |
| Dec2009                   | \$0.74 | Dec2009                                   | \$0.71        |
| Dec2008                   | \$0.77 | Dec2008                                   | \$0.67        |
| Dec2007                   | \$0.76 | Dec2007                                   | \$0.61        |
| Dec2006                   | \$0.57 | Dec2006                                   | \$0.51        |
| Dec2005                   | \$0.50 | Dec2005                                   | \$0.46        |
| Dec2004                   | \$0.51 | Dec2004                                   | \$0.41        |
| Dec2003                   | \$0.46 | Dec2003                                   | \$0.33        |
| Dec2002                   | \$0.31 | Dec2002                                   | \$0.26        |
| Dec2001                   | \$0.27 | <b>Balance Sheet Information 3/1/2018</b> |               |
| Dec2000                   | \$0.23 | Total Current Assets                      | \$571,205,000 |
| Dec1999                   | \$0.18 | Total Current Liabilities                 | \$169,938,000 |
| Dec1998                   | \$0.15 | Long-Term Debt                            | \$31,011,000  |
|                           |        | Total Assets                              | \$805,106,000 |
|                           |        | Intangible Assets                         | \$205,489,000 |
|                           |        | Total Liabilities                         | \$204,830,000 |
|                           |        | Shares Outstanding (Diluted Average)      | 31,429,000    |





**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 [Inter Parfums Inc Valuation – Initial Coverage \\$IPAR](#)

- Other ModernGraham posts about related companies
- [Service Corp International Valuation – July 2018 \\$SCI](#)
  - [Avon Products Inc Valuation – June 2018 \\$AVP](#)
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