

ModernGraham Valuation

Company Name:

Tapestry Inc

Company Ticker TPR

Date of Analysis

2/10/2019



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	\$9,818,655,256	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.74	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	-31.44%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	17.34	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.99	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	2.74	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.02	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.95
MG Growth Estimate	-3.80%
MG Value	\$1.77
MG Value based on 3% Growth	\$28.31
MG Value based on 0% Growth	\$16.60
Market Implied Growth Rate	4.42%

MG Opinion

Current Price	\$33.86
% of Intrinsic Value	1917.37%
Opinion	Overvalued
MG Grade	C+

Stage 3: Information for Further Research

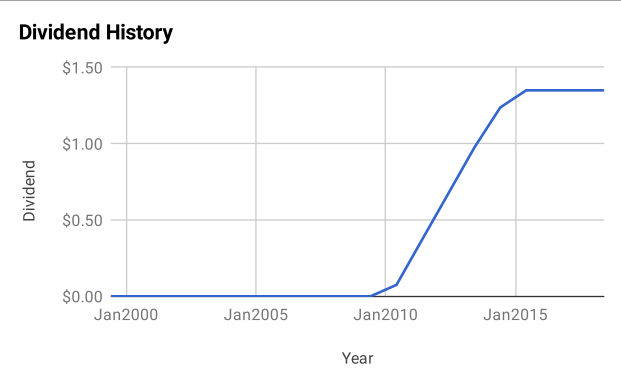
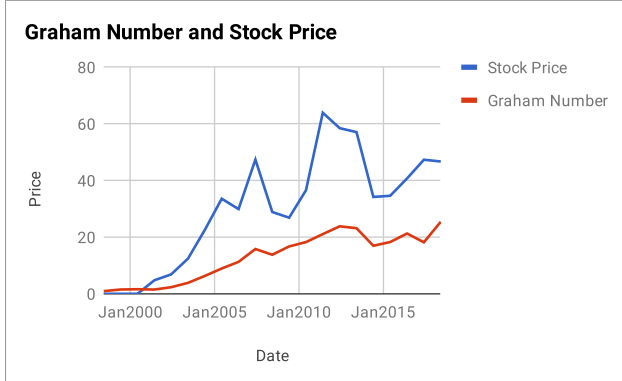
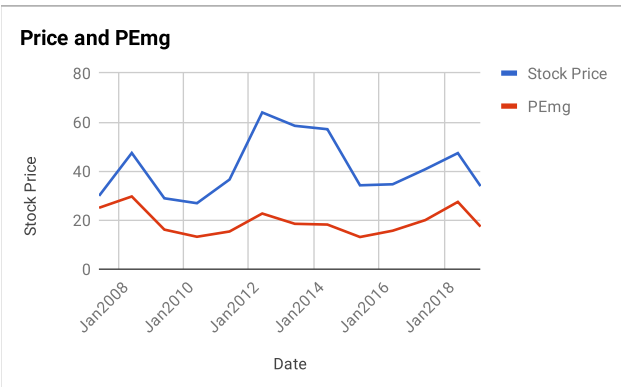
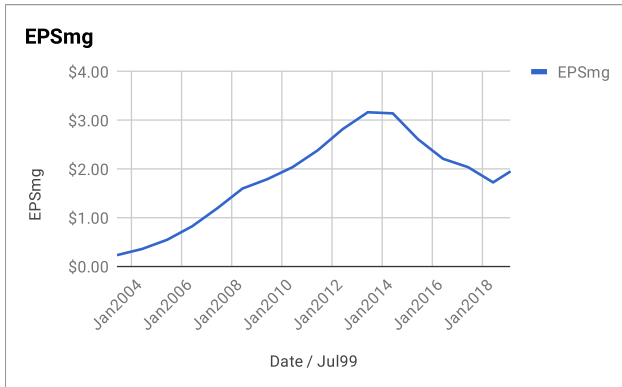
Net Current Asset Value (NCAV)	-\$3.17
Graham Number	\$25.42
PEmg	17.34
Current Ratio	2.74
PB Ratio	2.99
Current Dividend	\$1.35
Dividend Yield	3.99%
Number of Consecutive Years of Dividend Growth	0

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	\$2.55	Next Fiscal Year Estimate	\$1.95
Jun2018	\$1.38	Jun2018	\$1.73
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	Balance Sheet Information 9/1/2018	
Jun2001	\$0.19	Total Current Assets	\$2,467,500,000
Jun2000	\$0.14	Total Current Liabilities	\$899,400,000
Jun1999	\$0.06	Long-Term Debt	\$1,594,500,000
		Total Assets	\$6,703,300,000
		Intangible Assets	\$3,213,500,000
		Total Liabilities	\$3,393,700,000
		Shares Outstanding (Diluted Average)	292,000,000





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 [Tapestry Inc Valuation – April 2018 \\$TPR](#)

- Other ModernGraham posts about related companies
- [Dollar General Corp Valuation – February 2019 \\$DGD](#)
 - [Tiffany & Co Valuation – February 2019 \\$TIF](#)
 - [Best Buy Co Inc Valuation – February 2019 \\$BBY](#)
 - [Macy's Inc Valuation – January 2019 \\$M](#)
 - [Ross Stores Inc Valuation – January 2019 \\$ROST](#)
 - [Walgreens Boots Alliance Inc Valuation – December 2018 \\$WBA](#)
 - [Nordstrom Inc Valuation – December 2018 \\$JWN](#)
 - [Walmart Inc Valuation – November 2018 \\$WMT](#)
 - [Canadian Tire Corp Ltd Valuation – August 2018 \\$TSE:CTC.A](#)
 - [McKesson Corp Valuation – June 2018 \\$MCK](#)