

# ModernGraham Valuation

Company Name:

Coty Inc

Company Ticker COTY

Date of Analysis

3/5/2019



## 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	\$8,372,757,379	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.96	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	185.71%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-24.85	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.10	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	0.96	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-50.21	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		Fail
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.45
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$6.51
MG Value based on 0% Growth	-\$3.81
Market Implied Growth Rate	-16.68%

### MG Opinion

Current Price	\$11.15
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

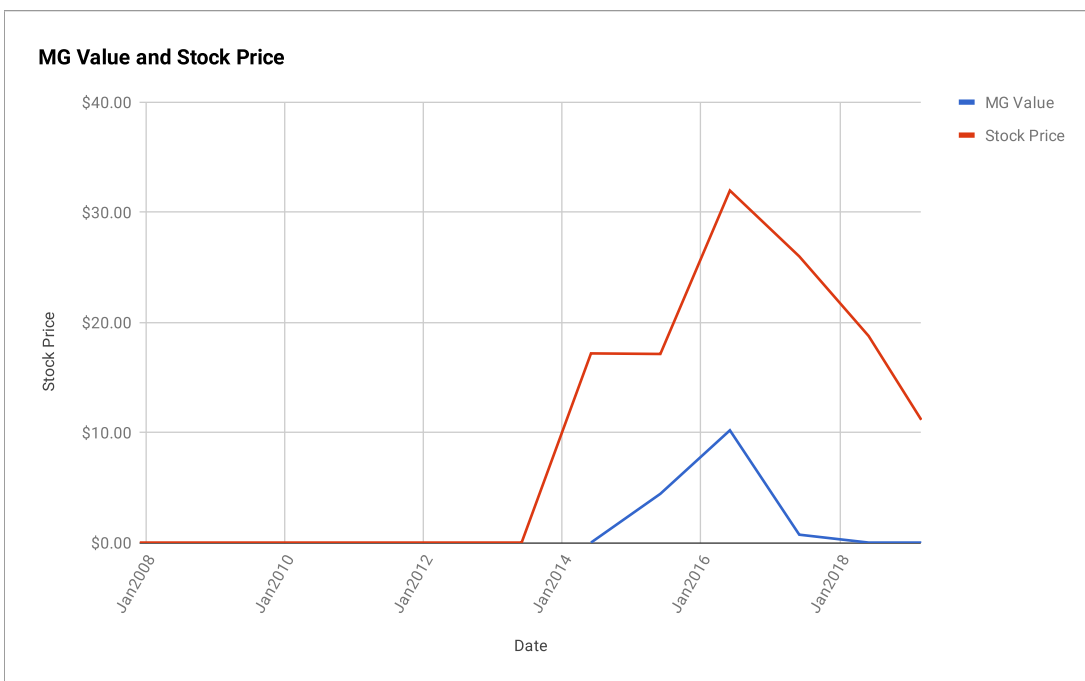
## Stage 3: Information for Further Research

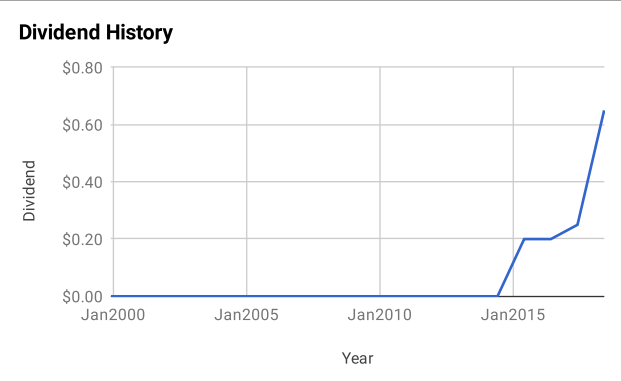
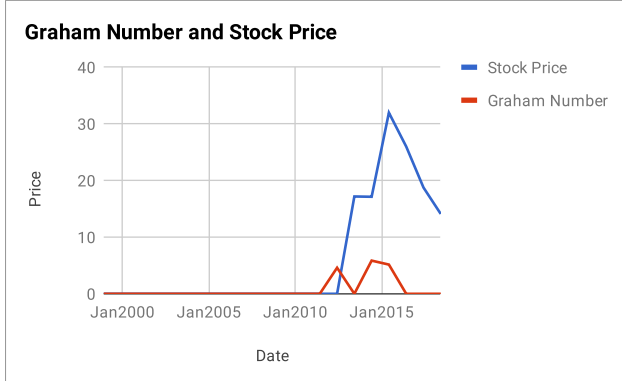
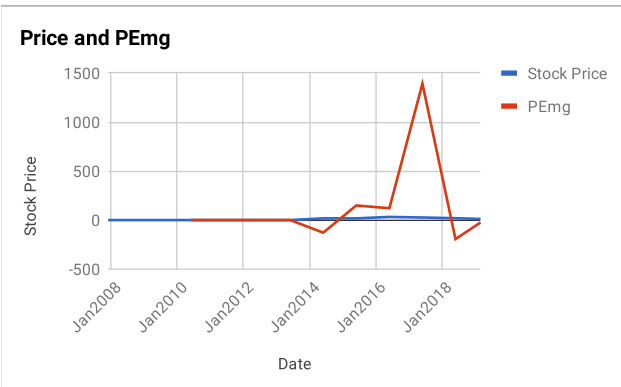
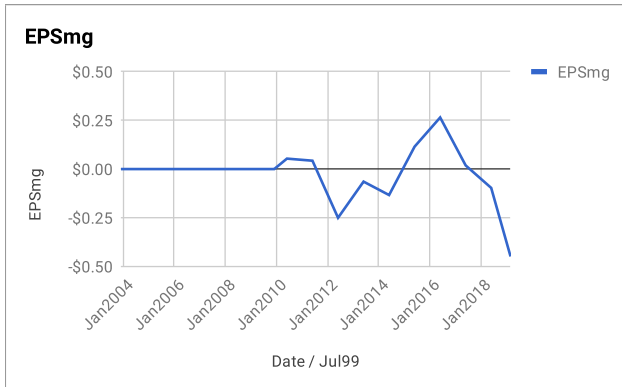
Net Current Asset Value (NCAV)	-\$13.24
Graham Number	\$0.00
PEmg	-24.85
Current Ratio	0.96
PB Ratio	1.10
Current Dividend	\$0.50
Dividend Yield	4.48%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Jun2018	-\$1.07	Jun2018	-\$0.45
Jun2017	-\$0.23	Jun2017	-\$0.10
Jun2016	-\$0.66	Jun2016	\$0.02
Jun2015	\$0.44	Jun2015	\$0.26
Jun2014	\$0.64	Jun2014	\$0.12
Jun2013	-\$0.26	Jun2013	-\$0.13
Jun2012	\$0.42	Jun2012	-\$0.06
Jun2011	-\$0.85	Jun2011	-\$0.25
Jun2010	\$0.00	Jun2010	\$0.04
Dec2009	\$0.16	Jun2010	\$0.05
Dec2008	\$0.00	Dec2009	\$0.00
Dec2007	\$0.00	Dec2008	\$0.00
Dec2006	\$0.00	Dec2007	\$0.00
Dec2005	\$0.00	Dec2006	\$0.00
Dec2004	\$0.00	Dec2005	\$0.00
Dec2003	\$0.00	Dec2004	\$0.00
Dec2002	\$0.00	Dec2003	\$0.00
Dec2001	\$0.00	<b>Balance Sheet Information 12/1/2018</b>	
Dec2000	\$0.00	Total Current Assets	\$3,714,400,000
Dec1999	\$0.00	Total Current Liabilities	\$3,865,000,000
		Long-Term Debt	\$7,560,900,000
		Total Assets	\$21,270,700,000
		Intangible Assets	\$15,594,400,000
		Total Liabilities	\$13,659,400,000
		Shares Outstanding (Diluted Average)	751,100,000





**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**

- [10 Most Overvalued Stocks of the S&P 500 – July 2018](#)
- [Coty Inc Valuation – May 2018 \\$COTY](#)
- [Coty Inc Valuation – Initial Coverage \\$COTY](#)

**Other ModernGraham posts about related companies**

- [Signet Jewelers Ltd Valuation – March 2019 #SIG](#)
- [Church & Dwight Co Inc Valuation – February 2019 \\$CHD](#)
- [International Flavors & Fragrances Inc Valuation – January 2019 \\$IFF](#)
- [Estee Lauder Companies Inc Valuation – December 2018 \\$EL](#)
- [Proctor & Gamble Co Valuation – November 2018 \\$PG](#)
- [Johnson & Johnson Valuation – November 2018 \\$JNJ](#)
- [Inter Parfums Inc Valuation – July 2018 \\$IPAR](#)
- [Service Corp International Valuation – July 2018 \\$SCI](#)
- [Avon Products Inc Valuation – June 2018 \\$AVP](#)
- [Colgate-Palmolive Co Valuation – June 2018 \\$CL](#)