

ModernGraham Valuation

Company Name:

Capri Holdings Ltd

Company Ticker CPRI

Date of Analysis

4/4/2019



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	\$7,413,375,503	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.48	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	737.59%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	12.62	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.26	Pass

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	2.48	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.95	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.90
MG Growth Estimate	5.84%
MG Value	\$78.64
MG Value based on 3% Growth	\$56.51
MG Value based on 0% Growth	\$33.13
Market Implied Growth Rate	2.06%

MG Opinion

Current Price	\$49.19
% of Intrinsic Value	62.55%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

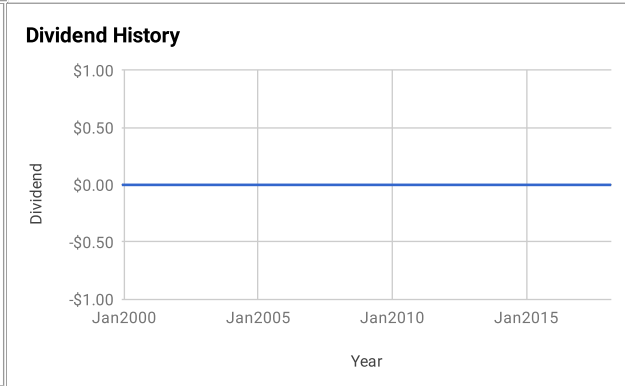
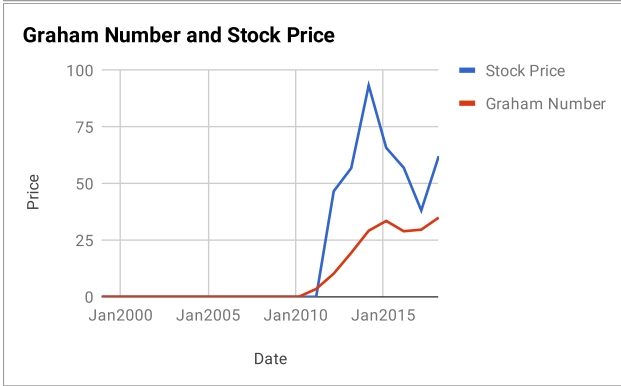
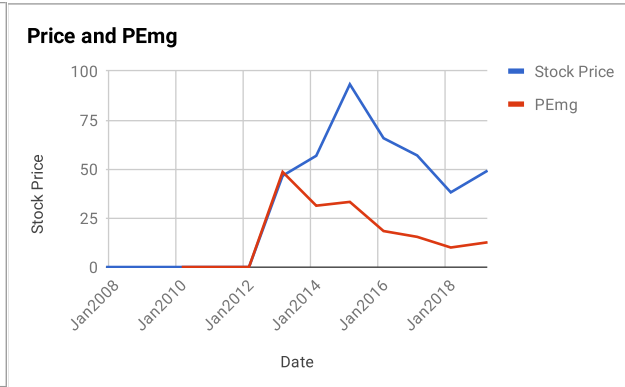
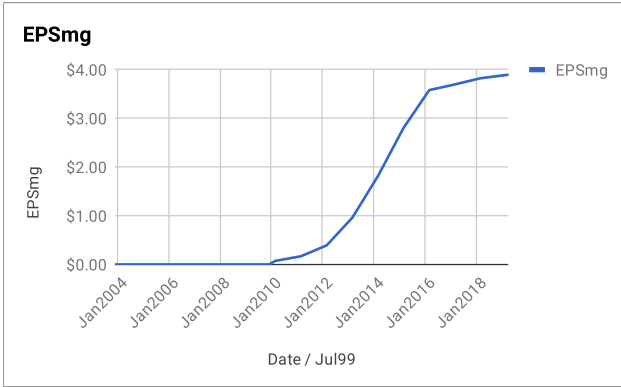
Net Current Asset Value (NCAV)	-\$2.14
Graham Number	\$34.96
PEmg	12.62
Current Ratio	2.48
PB Ratio	3.26
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$4.03	Next Fiscal Year Estimate	\$3.90
Mar2018	\$3.82	Mar2018	\$3.82
Mar2017	\$3.29	Mar2017	\$3.70
Mar2016	\$4.44	Mar2016	\$3.58
Mar2015	\$4.28	Mar2015	\$2.81
Mar2014	\$3.22	Mar2014	\$1.81
Mar2013	\$1.97	Mar2013	\$0.96
Mar2012	\$0.78	Mar2012	\$0.39
Mar2011	\$0.33	Mar2011	\$0.17
Mar2010	\$0.22	Mar2010	\$0.07
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Balance Sheet Information 12/1/2018	
Dec2001	\$0.00	Total Current Assets	\$3,439,500,000
Dec2000	\$0.00	Total Current Liabilities	\$1,387,400,000
Dec1999	\$0.00	Long-Term Debt	\$1,954,700,000
		Total Assets	\$6,028,400,000
		Intangible Assets	\$1,912,900,000
		Total Liabilities	\$3,761,300,000
		Shares Outstanding (Diluted Average)	150,268,000





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

#N/A

Other ModernGraham posts about related companies

- [Ralph Lauren Corp Valuation – March 2019 #RL](#)
- [Gap Inc Valuation – March 2019 #GPS](#)
- [PVH Corp Valuation – February 2019 \\$PVH](#)
- [VF Corp Valuation – February 2019 \\$VFC](#)
- [Foot Locker Inc Valuation – January 2019 \\$FL](#)
- [Under Armour Inc Valuation – January 2019 \\$UA](#)
- [Hanesbrands Inc Valuation – January 2019 \\$HBI](#)
- [L Brands Inc Valuation – January 2019 \\$LB](#)
- [Nike Inc Valuation – November 2018 \\$NKE](#)
- [Deckers Outdoor Corp Valuation – May 2018 \\$DECK](#)