

# [Tiffany college essay](https://assignbuster.com/tiffany-college-essay/)

Tiffany & Co. Equity Valuation and AnalysisValued at April 1, 2005Chelsea Fitzgerald: [email protected] Tiffany & Co. Valuation Table of Contents Executive Summary Business/Industry Analysis Accounting Analysis Ratio Analysis/Forecasting Cross Sectional Analysis Forecasted Financials Valuation Analysis Cost of Capital Intrinsic Valuations Appendices Appendix A Appendix B Appendix C Appendix D References 2 5 14 25 28 37 41 44 46 57 57 60 66 69 72-1-"EXECUTIVE SUMMARYInvestment Recommendation: Over-valued, SellTIF – NYSE 52 week range Revenue (2004) Market Capitalization Shares Outstanding Dividend Yield 3-month Avg Daily Trading Volume Percent Institutional Ownership Book Value Per Share (mrq) ROE ROA Est.

5 year EPS Growth Rate Cost of Capital Est. R2 Ke Estimated 5-year . 3175 3-year . 5676 2-year . 4929 Published Kd WACC Beta 2.

59 2. 17 2. 86 2. 071 $33. 37 $27. 00-41.

63 $2. 2 Bil. $4. 86 Bil 145, 730, 000 .

72% 1, 186, 500 90. 29% $2. 84 19. 36% 11. 81% 11. 30% Ke 12.

34% 12. 34% 11. 13% 10. 11% 10.

79% 3. 09% 8. 77% EPS Forecast FYE 1/31 EPS4/1/052004(A) $1. 482005E $1. 662006E $1.

892007E $2. 12 Industry 14. 11 12. 09 . 96 1. 51Ratio Comparison Trailing P/E Forward P/E Forward PEG M/BTiffany 16.

02 19. 22 1. 49 2. 89Valuation EstimatesActual Current Price Ratio Based Valuations P/E Trailing P/E Forward PEG Forward Dividend Yield M/B Ford Epic Valuation Intrinsic Valuations Discounted Dividends Free Cash Flows Residual Income Abnormal Earnings Growth Long-Run Residual Income Perpetuity $33.

37 $19. 47 $30. 50 $13. 21 N/A $14. 40 $35.

94 $1. 60 $14. 84 $12. 35 $13. 84 $17. 13-2-"Tiffany & Co.

is established as one of the world’s top retailers of fine jewelry and other luxury items. They have created a place in the market based upon their commitment to quality and customer…