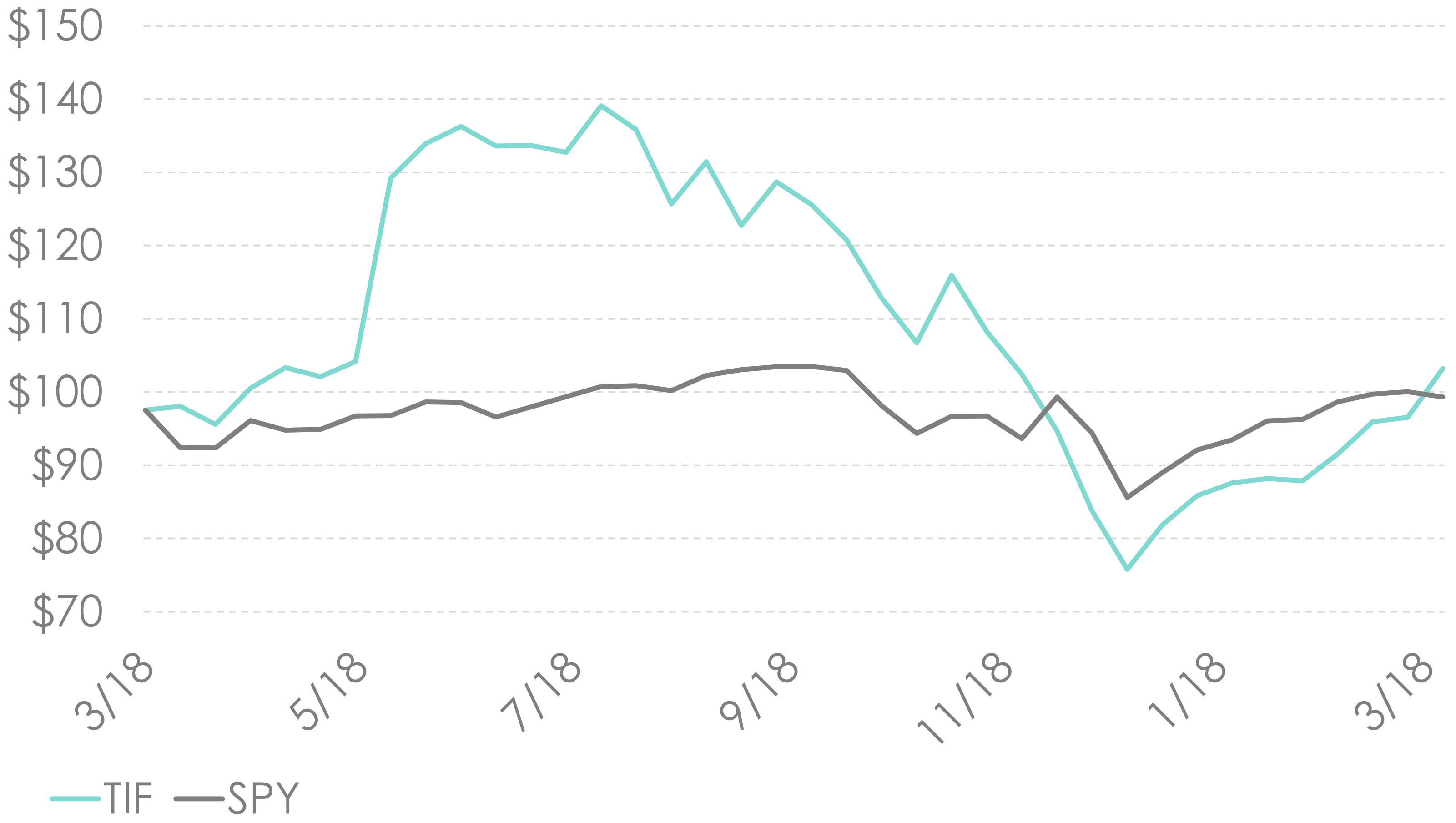
TIFFANY & CO. NYSE: TIF

Layman Siblings

March 29, 2019

"I'd like to own either Hershey's or Tiffany's if it's the right price, wouldn't you? It's just a question of price. Of course they are good companies..."

Charlie Munger
2018 DJCO ASM - 14 February 2018



- Shares of TIF have fallen 30% over the previous four months. Reasons being concerns over FX weighing on tourists spending patterns & tariff spats between the US & China, all short term
- Given TIF's historic strength, solid management & strategy & wide moat, we feel the firm is poised for solid returns on capital for years to come
- We feel the recent 38% rebound confirms the thesis we will be outlining today

HISTORY

History

- **1837** Charles Tiffany and John Young open a store selling stationery and "Fancy goods" in New York

- **1853** Tiffany bought out his partners and renamed the company Tiffany and Co.

- **1886** Tiffany introduces the Tiffany Setting diamond engagement ring

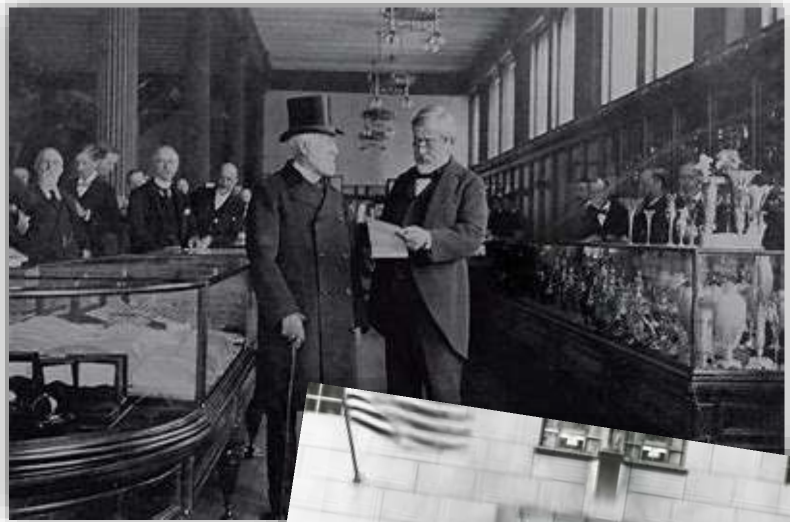
- **1940** Tiffany opens is its now world- Renowned flagship store at the corner of Fifth Avenue

- **1961** Tiffany is immortalized in “Breakfast at Tiffany’s” staring Audrey Hepburn

- **1978** Tiffany was sold to **Avon Products**

- **1984** Avon sold Tiffany to an investment group

- **1987** Tiffany and Co. IPO occurred on May 5th, 1987



News

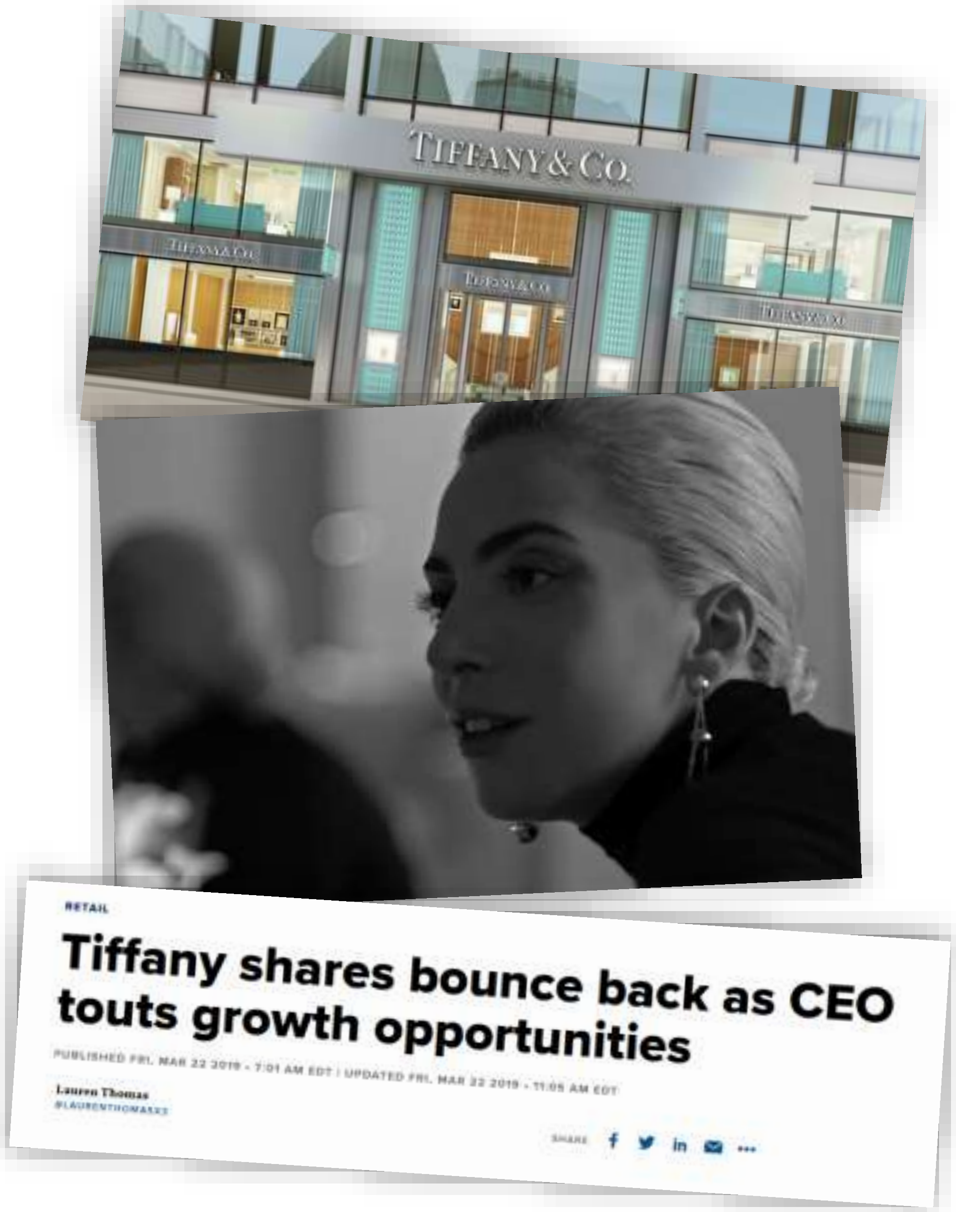
- **2017** JANA Partners built 5% stake in TIF

- **2017** Frederic Cumenal Resigns after only 22 months as CEO due to disappointing financial results

- **2017** Lady Gaga is featured in Tiffany's first Super Bowl Commercial

- **2018** Tiffany & Co. announced plans to begin a complete renovation of its renowned New York City flagship store in spring 2019

- **2019** Tiffany Reports Net Sales and Net Earnings Growth in Full Year, Record sales in global markets.



SEGMENTS & GEOGRAPHY

Segments

Jewelry
53%

Engagement
26%

Designer
14%

Other
7%

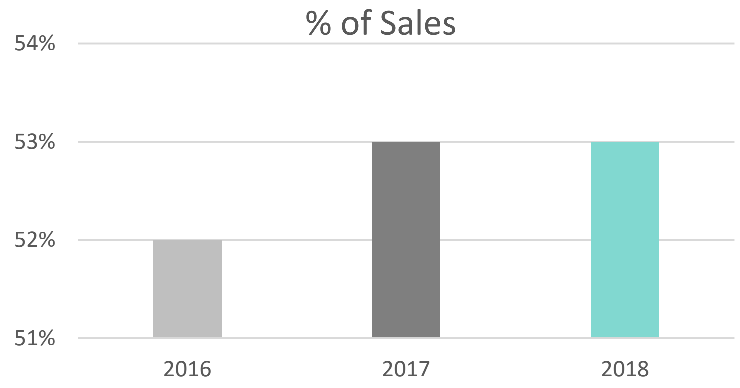
Tiffany & Co.

Jewelry

- Collections of a variety of jewelry following a general theme, typically crafted with platinum, gold, or sterling silver & may include diamonds or gemstones

- Famous collections are, Paper Flowers, Victoria, Soleste, Return to Tiffany, & Tiffany T

- Collections are often discontinued & then brought back for brief periods of time at a higher price point than their initial debut



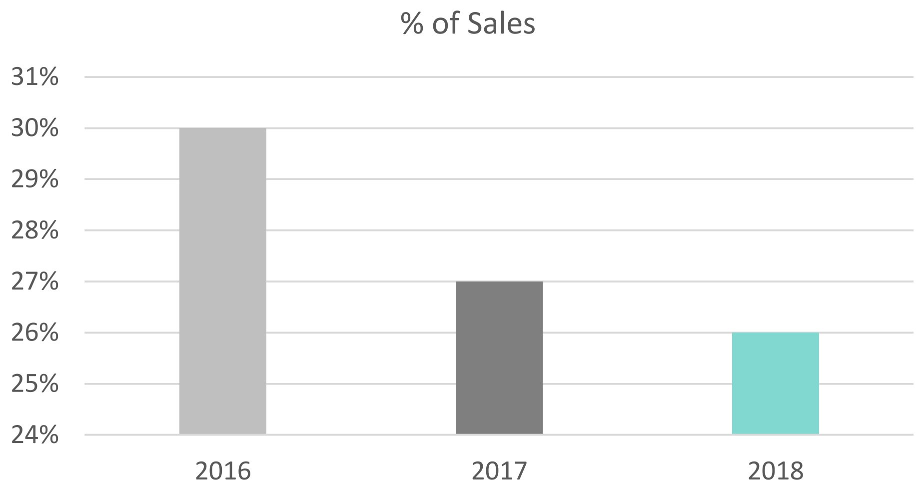
Engagement

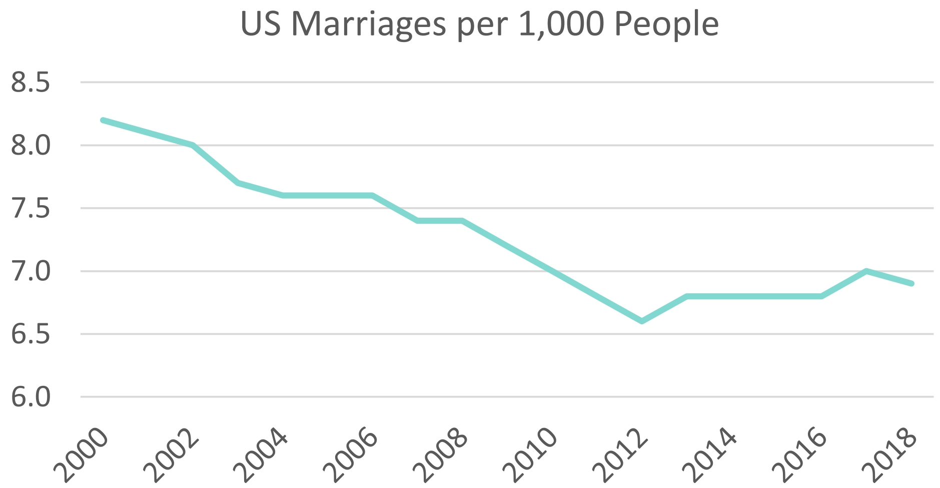
- Engagement rings & wedding bands make up a declining portion of sales as due to a global decline in marriage rates

- Management has placed emphasis on other segments to combat the decline in engagement products

- Constructed primarily with platinum or gold which makes up 10% of sales

- Wedding bands have been seeing an increase in demand relative to engagement rings



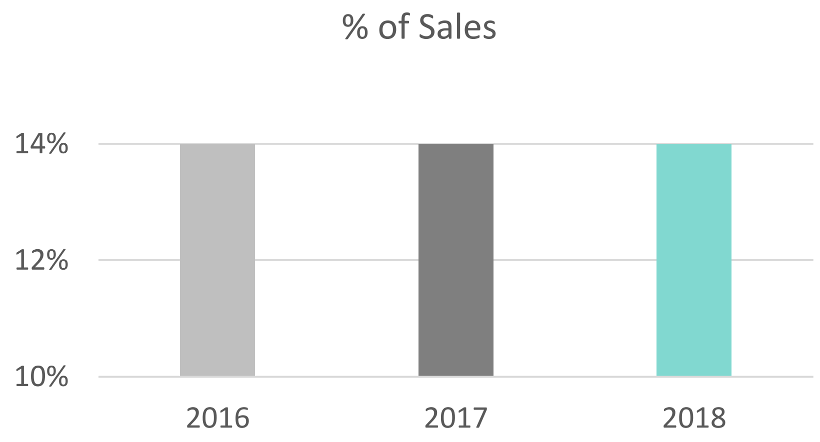


Designer

- Jewelry created by "branded" designers such as Elsa Peretti, Paloma Picasso & Jean Schlumberger

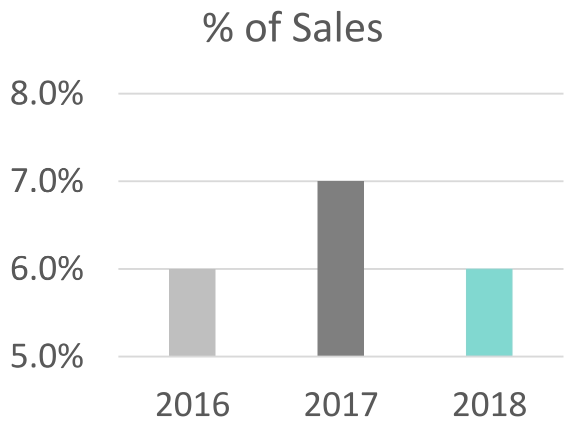
- Crafted with platinum, gold, or sterling silver & may contain diamonds or gemstones

- So far the segment has provided 14% of sales since being a reporting segment in 2016



Other

- Variety of products such as timepieces, leather goods, silverware, china crystal, stationery, fragrances, holiday items & accessories
- 3rd party licensing agreements with Coty & Luxottica for perfume & sunglasses
- Home & accessories collection released in 2017 & created a social media buzz around millennials
- Breakfast at Tiffany's Café, which opened in 2017 has increased social awareness & shown the cultural brand appeal of Tiffany
- Watches were relaunched in 2015 featuring strong designs & have yet to realize their full potential, providing an underappreciated opportunity for growth



Opportunities

Expansion Outside Jewelry

- Management has expanded the "other" segment in its diverse offerings in hopes to increase the Tiffany cultural appeal

- We feel as though the segment is underappreciated both by investors & customers & has room for growth

Opportunities

Collaboration

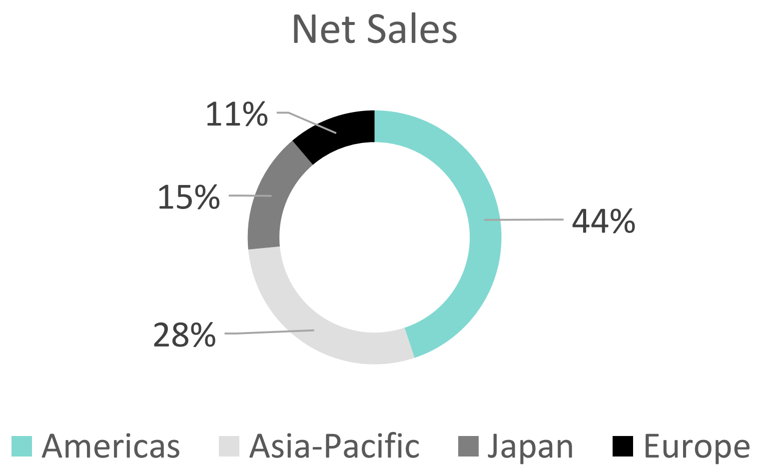
- Tiffany's newest collaborator, Lady Gaga, and the HardWear collection extends the firms reach into younger shoppers & diversifies reliance on engagement products

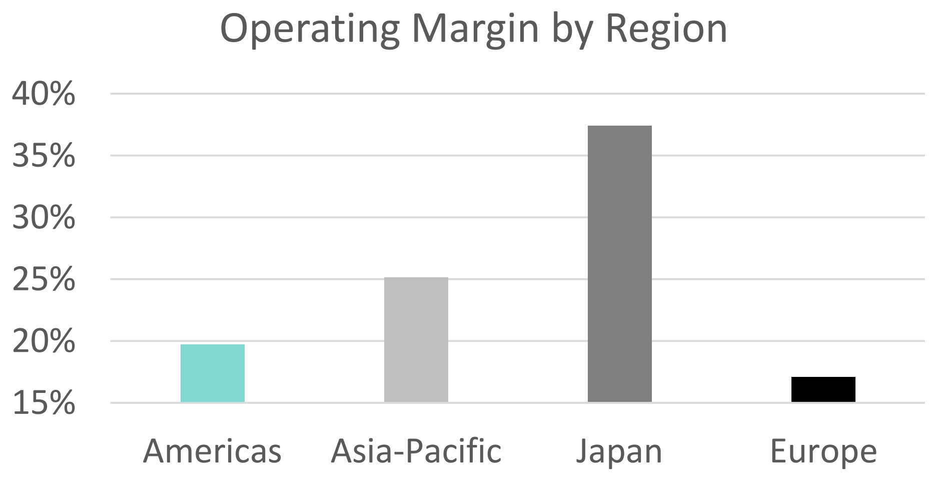
- 3rd part relationships & collaborations open the door for increased brand knowledge & appeal across millennials

Tiffany & Co.

Geography

- Americas hold the largest footprint with 40% of total locations, including the flagship 5th Ave store in NYC
- China & Asia-Pacific is an area of growth for Tiffany's as the firm has averaged 5.5% store growth over the last 5 years
- Whereas store growth in the Americas has limited footprint growth opportunity, Tiffany's has emphasized different product segments to spark growth opportunities in its oldest markets
- We see the biggest opportunities being high Chinese & Asia-Pacific marriage rates relative to the rest of the developed world & also getting these newer markets engrained in the brand so that they not only shop for wedding jewelry but also Tiffany's other offerings such as designer jewelry & lifestyle products such as watches, sunglasses & fragrances



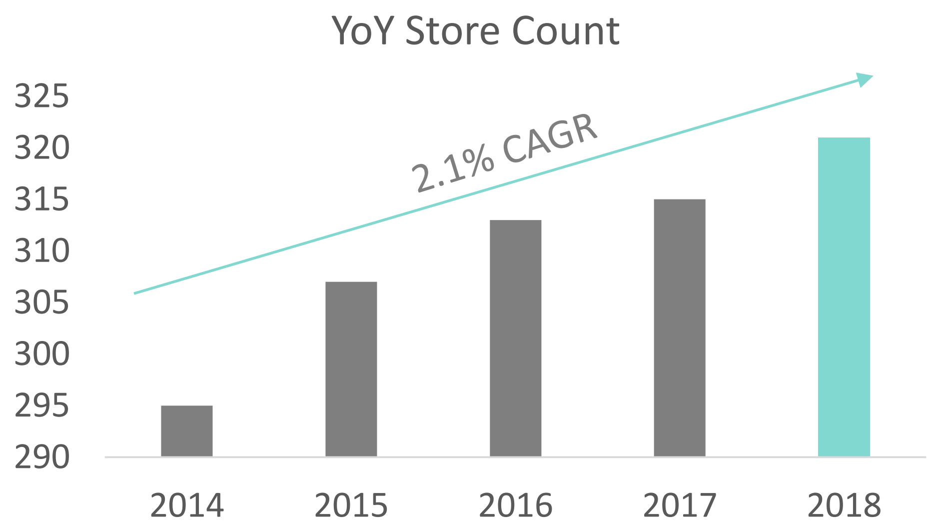


Geography

- Tiffany has grown its overall store count by a CAGR of 2.1% over the last five years with the bulk of the growth coming from its Asia-Pacific segment, for a total store count of 321 across the globe

- Same store sales have grown around 3% per year over the same time frame, management has cited it expected & still does expect this growth to accelerate, however, FX headwinds & geopolitical tensions have weighed on the results

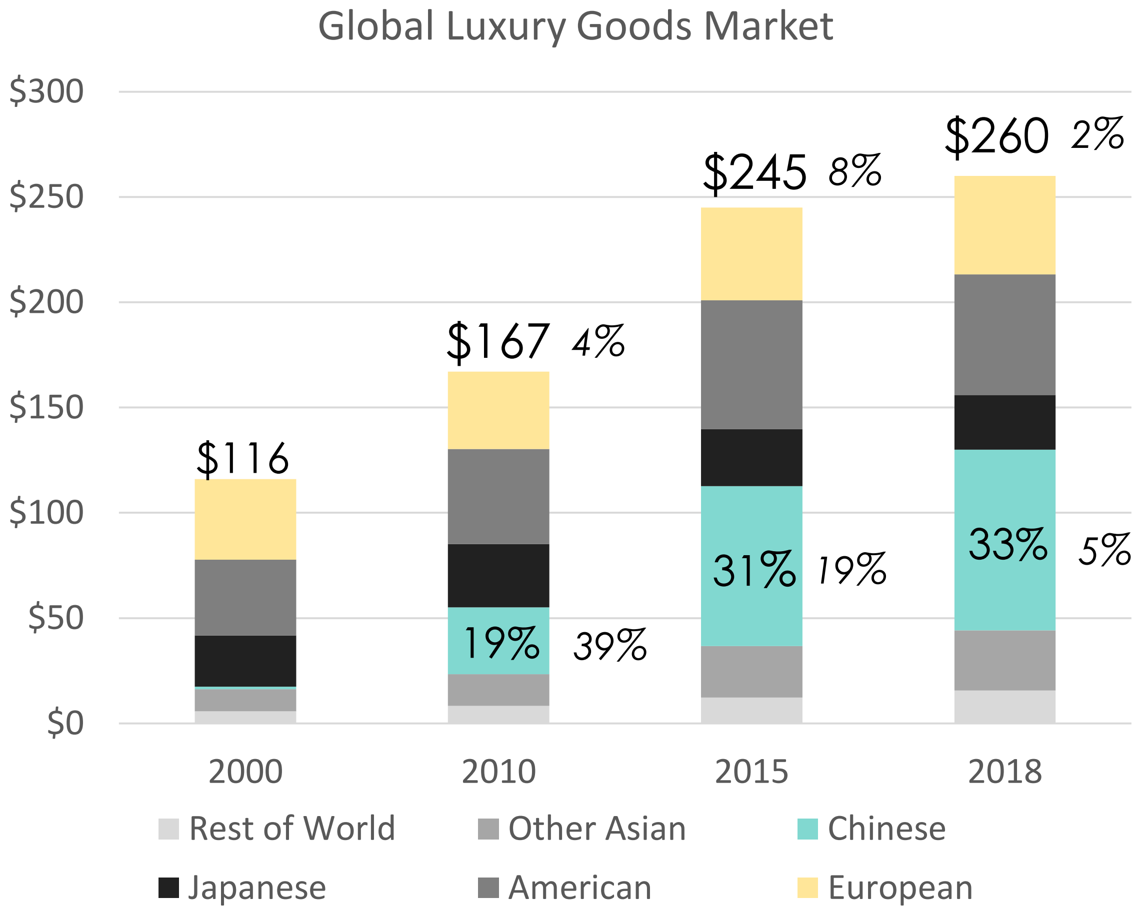
- Management will be opening new stores in "key cities" such as Washington D.C. & also more in its Asia-Pacific & Emerging Market regions in 2019



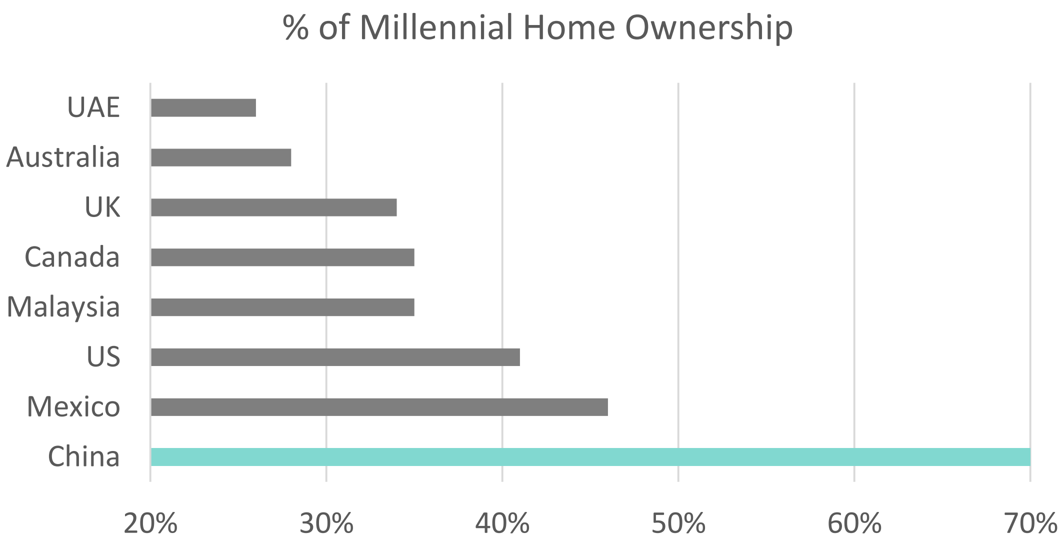
5th Ave

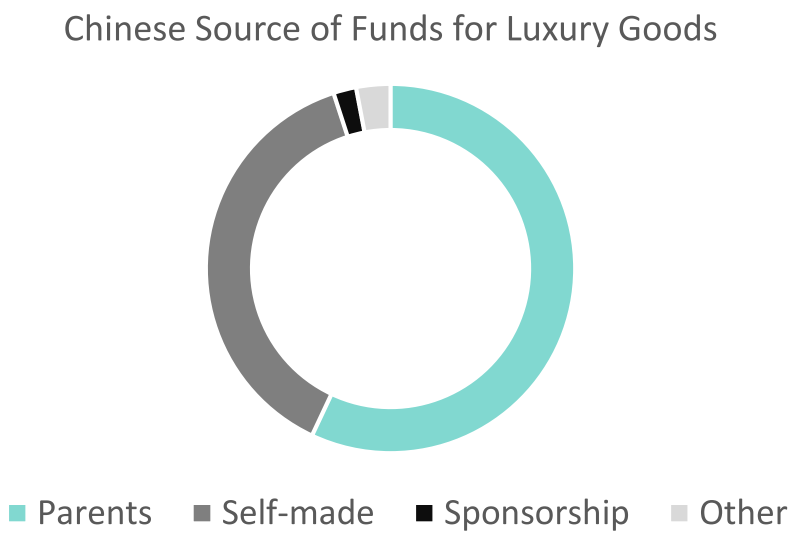
- Opened in 1940 at the corner of 5th Ave & 57th Street
- Roughly 10% of sales stem from the 5th Ave store, meaning this flagship location yields sales numbers equal to that of the 50 European locations
- Became more iconic after "Breakfast at Tiffany's"
- Opened a restaurant in November 2017 so tourists can now enjoy breakfast at Tiffany's
- Built as if it were "made for Instagram"

China



$ in billions
Source: gold Standard research center and Tencent study





SUPPLY CHAIN & SUSTAINABILITY

Supply Chain

- Diamonds acquired directly from: Botswana, Canada, Namibia, Russia and South Africa & prepared/cut in Belgium, Botswana, Cambodia, Mauritius & Vietnam

- Almost all non-jewelry items purchased from wholesale third parties

- 60% of jewelry produced in the US or Dominican republic

Supply Chain

Kimberly Process Certification

- Ensures that no diamond that Tiffany sells is considered a "**conflict diamond**"

- The Company has implemented the **Diamond Source Warranty Protocol**, which requires vendors to provide a warranty, and a qualified independent audit certificate, that loose polished diamonds were not obtained from Zimbabwean, Angolan or Congolese mines.

- Tiffany will attempt to convince younger generations that clean, ethically sourced diamonds deserve a premium vs. synthetic diamonds grown in a lab

Supply Chain

Sources of Gold & Silver

- In-ground, large-scale deposits of metals, primarily in the U.S., that meet the Company's standards for responsible mining

- Metals from recycled sources

- More than 10 years ago, Tiffany & Co. was the first jeweler to embrace the objectives of Earthworks' No Dirty Gold campaign, which established aspirational social, human rights and environmental standards for gold extraction.

RAW METALS

The majority of raw silver, gold and platinum used in our facilities comes from two principal sources: in-ground, large-scale deposits of metals in the United States, and metals from recycled sources. (*See more on p. 23*)

ROUGH DIAMONDS

We source the majority of our rough diamonds from known mines in Botswana, Canada, Namibia, Russia and South Africa. Tiffany goes above and beyond the Kimberley Process to source our diamonds with even greater respect for the environment and human rights. (*See more on p. 18*)

MANUFACTURING

We manufacture approximately 60% of our jewelry at our own state-of-the-art facilities which meet high standards for safety, cleanliness and a productive, welcoming environment. For the balance, we work closely with our suppliers to help ensure that they follow the exacting standards that we are proud to uphold.

CUTTING & POLISHING

We cut and polish diamonds at our own workshops—an approach that underscores our commitment to the integrity of our supply chain and creates positive change for local communities. In addition, polished diamonds are acquired from reputable suppliers that adhere to our stringent standards.

The Journey of a Tiffany Diamond

Other Sustainability Efforts

- Tiffany Save the Wild; all profits go to the Elephant Crisis Fund (ECF)

- Sustainable harvesting of pearls and colored gemstones

- 99% sustainably sourced catalogues and collateral

- 100% perfect score on the Human Rights Campaign Foundation's 2018 Corporate Equality Index report.

- 98% of international manufacturing workforce hired from local communities

Traceability of Raw Materials Directly Purchased (2017)

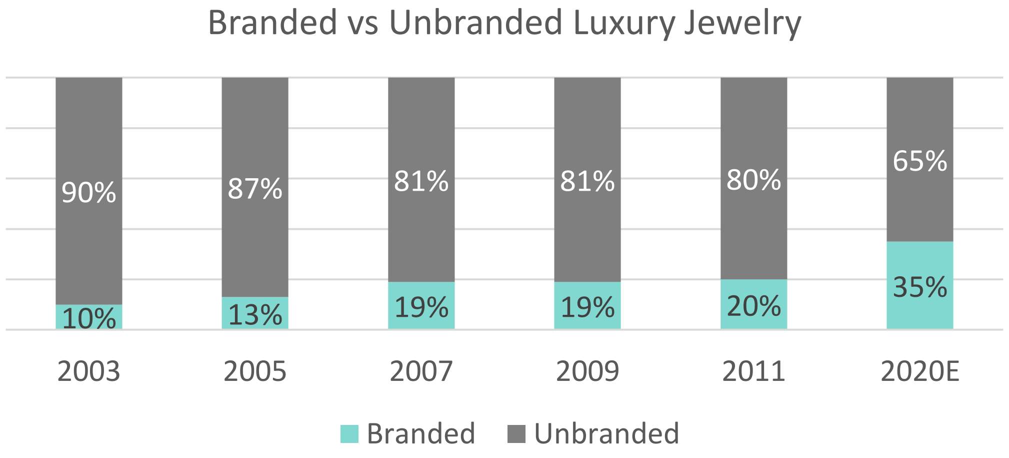
- 43% Traceable to Mine
- 55% Traceable to Recycler
- 2% Traceable only to Supplier

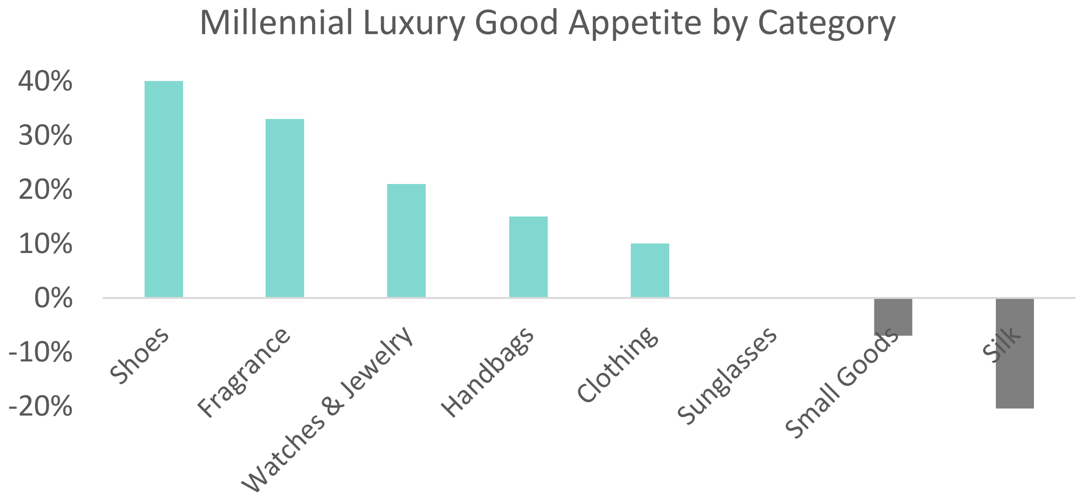
98% Traceable

INDUSTRY OUTLOOK

Industry Outlook

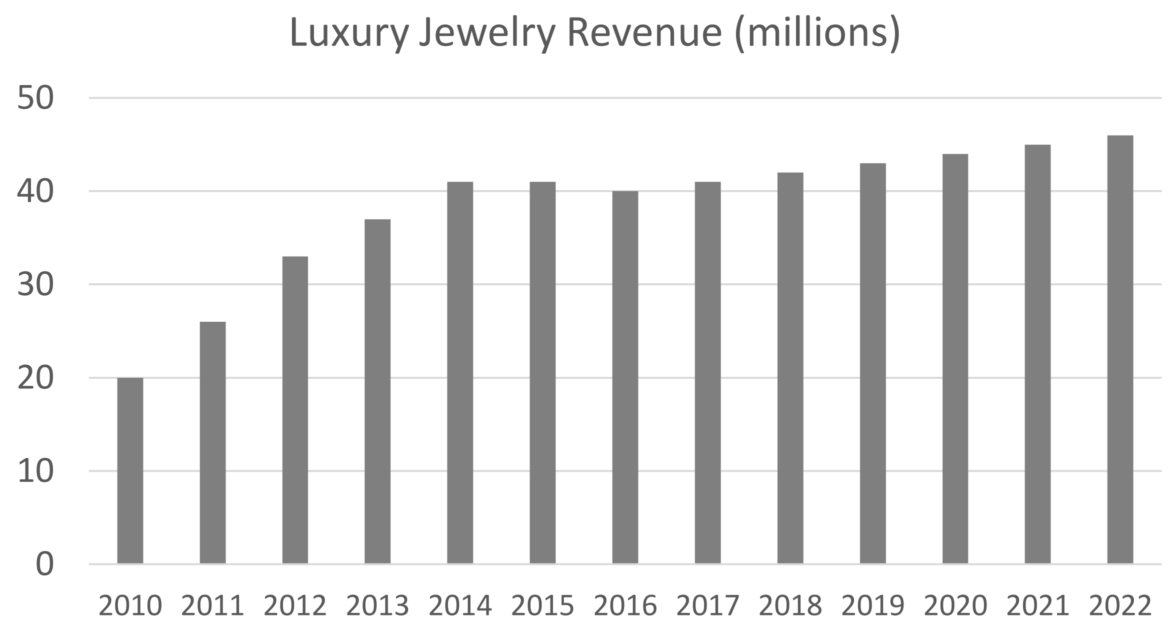
- Global demand for branded jewelry is set exceed growth in unbranded jewelry
- Millennial luxury good appetite is aligning well with Tiffany's product offerings, which when paired with a market leading digital presence should yield solid growth





Source: McKinsey research, BCG luxury consumer study

Industry Outlook



- Overall luxury jewelry market is set to grow by about 2.5% per year over the next five years

- If Tiffany is able to leverage its different jewelry segments & attract younger shoppers through digital media, Tiffany could grow faster than the market

Source: McKinsey research, BCG luxury consumer study

- Personal luxury forecasted growth offers appealing opportunity for Tiffany given it's segments & increasing emphasis on different types of jewelry

- Again, opportunity exists for Tiffany to grow its fragrance & watch segments both through a rising market but also through taking market share

TIFFANY & CO.

DIGITAL MEDIA

Digital Media

- Tiffany has a large online presence, and many connections with iconic modern celebrities such as Lady Gaga, Kendall Jenner, Reese Witherspoon & Kate Hudson

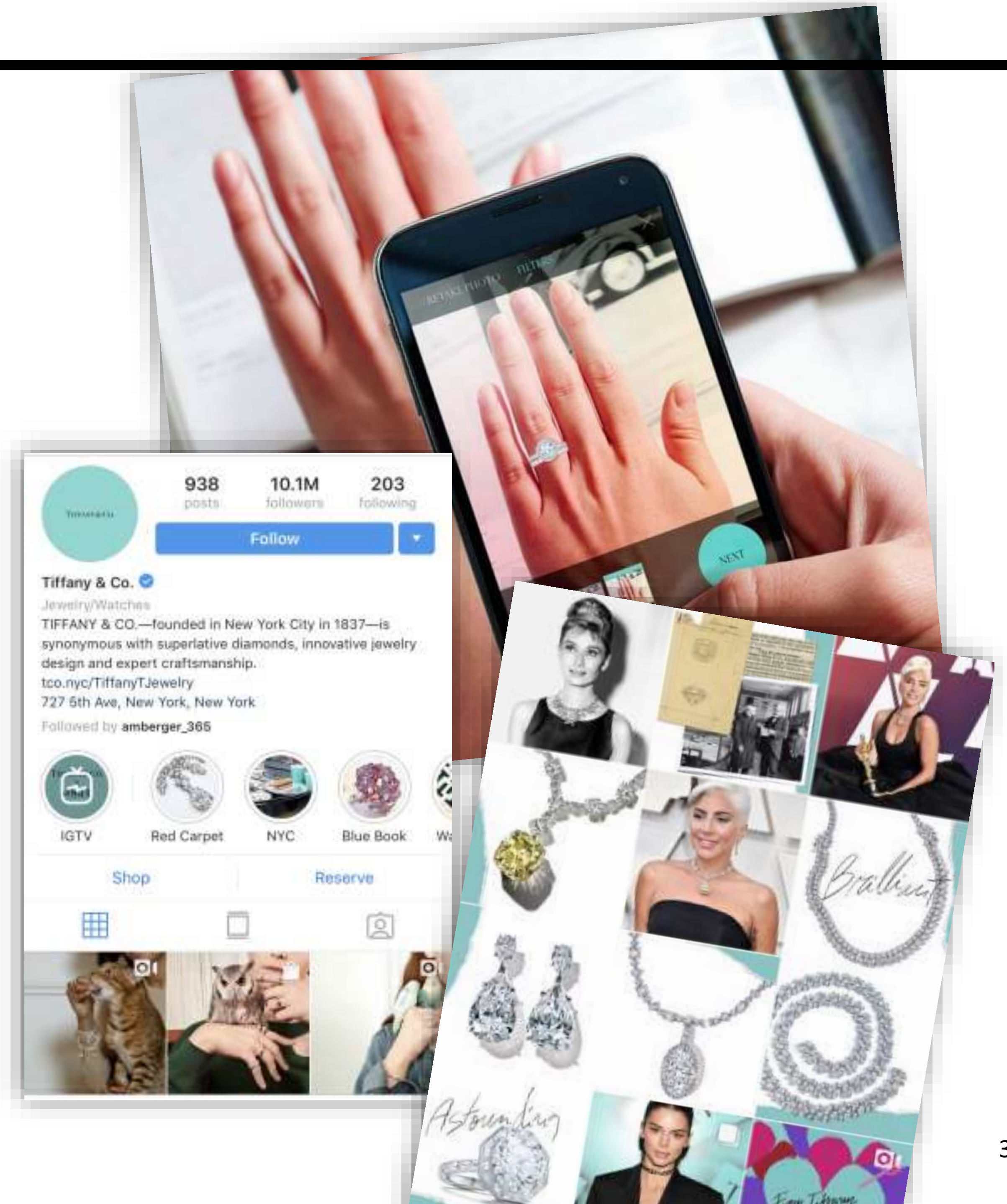
- Having partnerships with influencers geared towards younger shoppers is critical to increasing brand awareness for its non-engagement jewelry segments as marriage rates continue to decline

Digital Media

- Tiffany & co is one of the worlds most visible online luxury brands – second only to Louis Vuitton

- Engagement ring finder app allows users to try on rings digitally through their smart phone rather than in person at a physical store

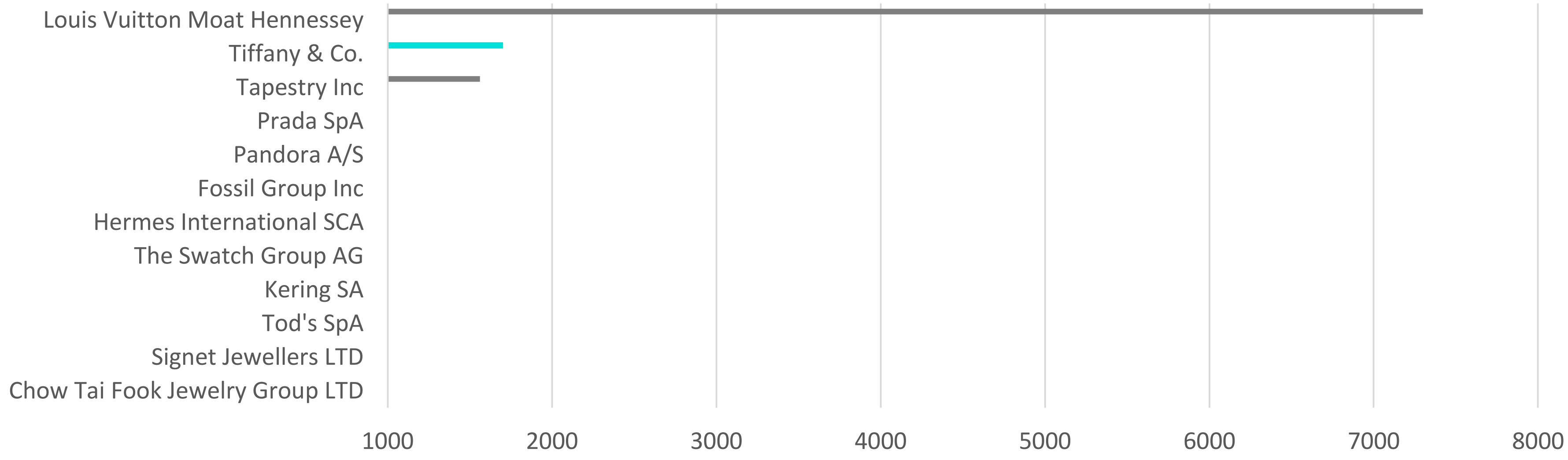
- Tiffany prioritizes engagement with their online followers, while still keeping the air of sophistication & luxuy



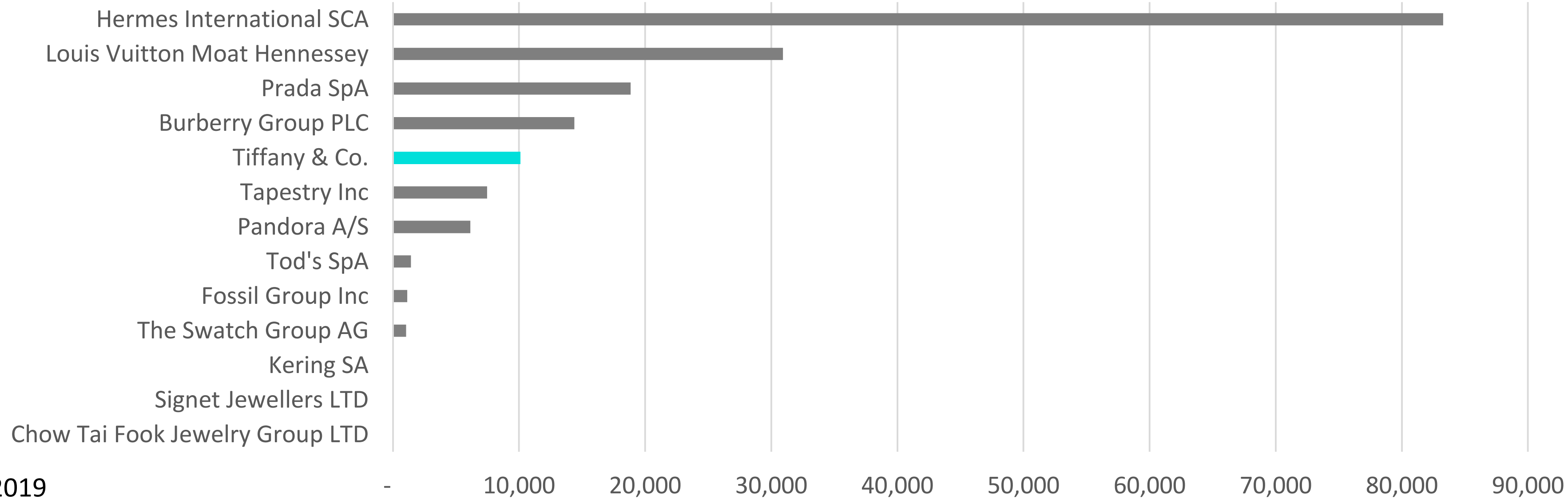
Digital Media

- Management is targeting an in increase online sales from 6% to at least 8% through high social media engagement levels & increasing the pace of newness product innovation

Digital Media



1.7 million



10.1 million

MANAGEMENT & STRATEGY

Management




- JANA Partners built a 5% position in Tiffany during the 2017 fiscal year & quickly ousted then CEO, Frederic Cumenal, after just 22 months of poor financial performance & replaced him with Alessandro Bogliolo who revitalized luxury Italian brand Diesel

- Following the removal of Cumenal, JANA was granted three board seats & appointed Francesco Trapani, the former Bulgari CEO & LVMH head of jewelry to director; Trapani invested $32 billion of personal cash in Tiffany shares

- Roger Farah was brought in as chairman & stems from a history of success with luxury brands Tory Burch & Ralph Lauren, who's stock appreciated by 1,000% under Farah's watch

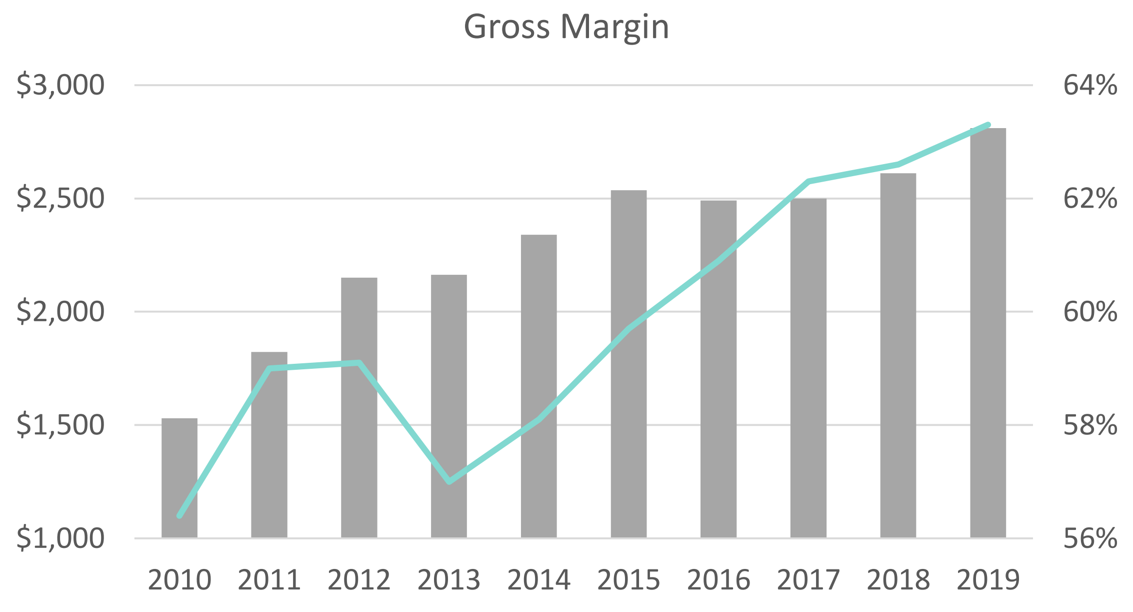
- James Lillie was also brought onto the board after a successful stint of increasing revenue by 30x as the CEO of Jarden Brands

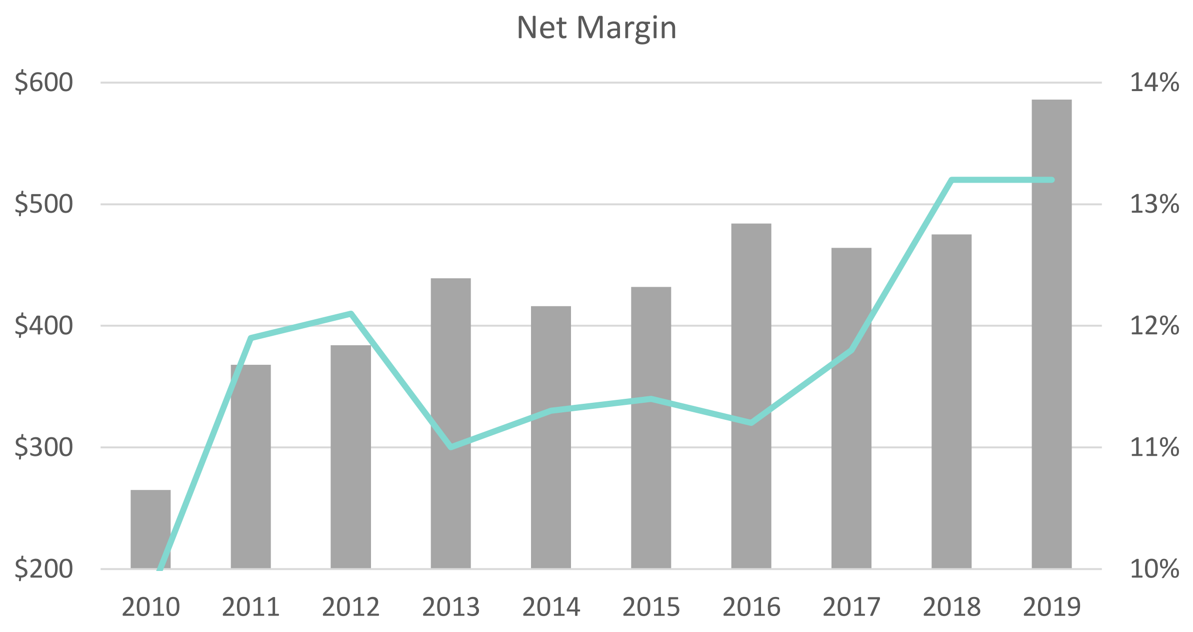
- Lastly, the board created a new role & welcomed Reed Krakoff as Chief Artistic Officer from his role as Chief Design Officer at luxury brand Coach

Strategy

- Following the transition brought on by JANA Partners n 2017, heavy emphasis was placed on digital media to increase brand awareness throughout younger generations & also on growing the designer & other product segments to combat risks with declining marriage rates

- As for operations, the increase in top line growth from newer segments & greater brand appeal would raise margins to increase cash flow, which would be used to lower leverage & return capital to shareholders through dividend hikes (+10.5/yr) & buybacks ($650 mn plan)





MOAT

Moat

Wide Economic Moat

Brand

- 182 years of American luxury
- Immortalized in 1961 film "Breakfast at Tiffany's"
- Iconic Tiffany Blue color
- World known products

Product Cycle

- Heritage collection
- Inventory holds value

Supply Chain

- Control of supply
- Ethical sourcing & transparency
- Brand equity & quality control

METRICS & FINANCIALS

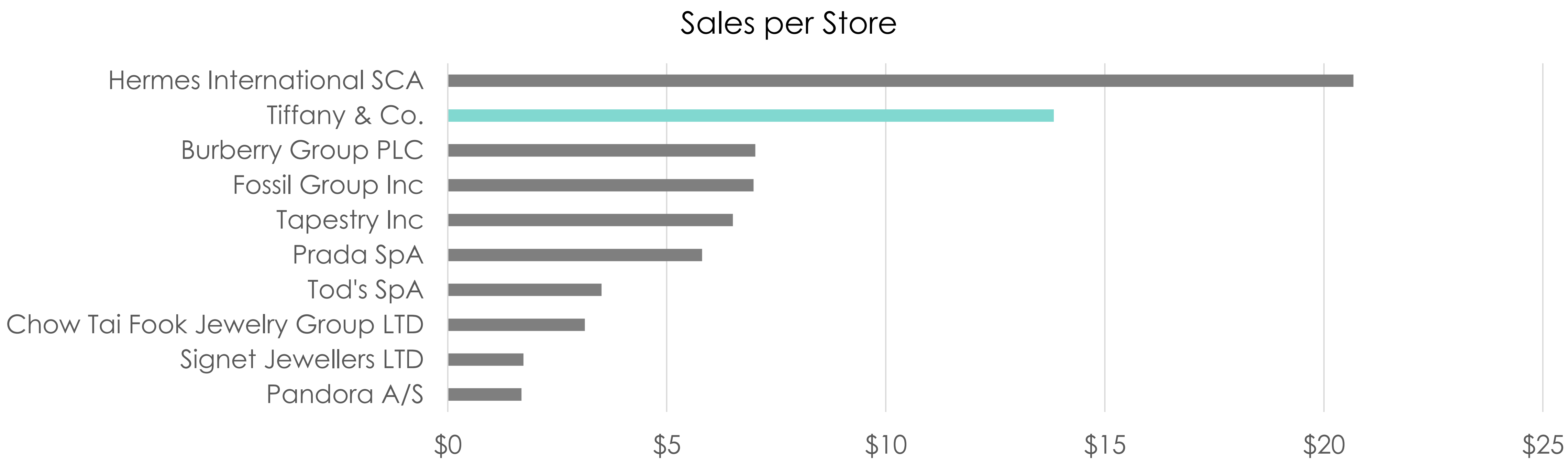
Efficiency


Total Revenue to Number of Stores
Total Revenue
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
0
500
1000
1500
2000
2500
3000
3500
4000
Stores
Chow Tai Fook
Signet
Hermes
Tapestry
Tiffany
Prada
Burberry
Pandora
Fossil
Tod’s

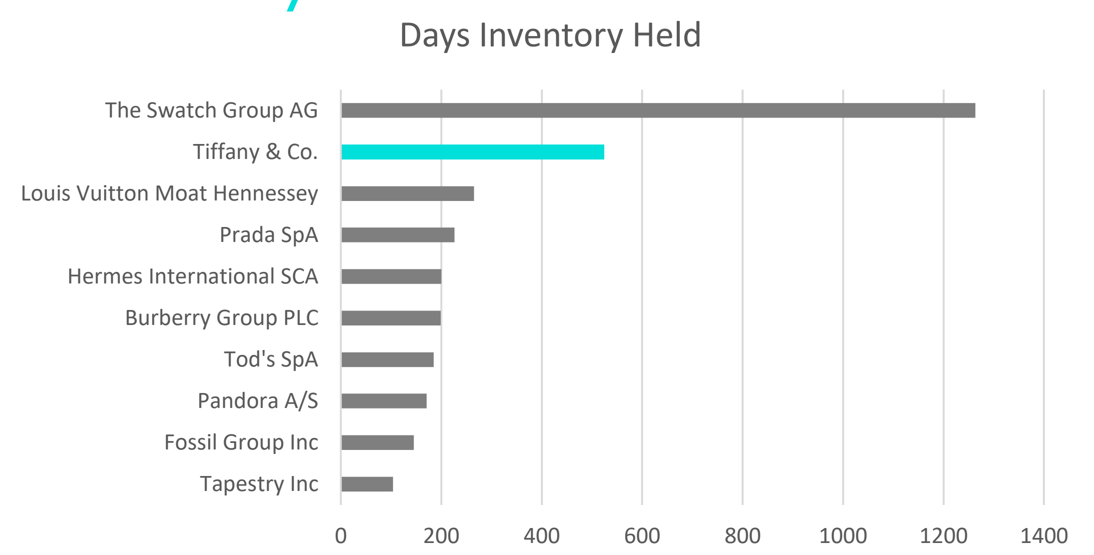
Efficiency

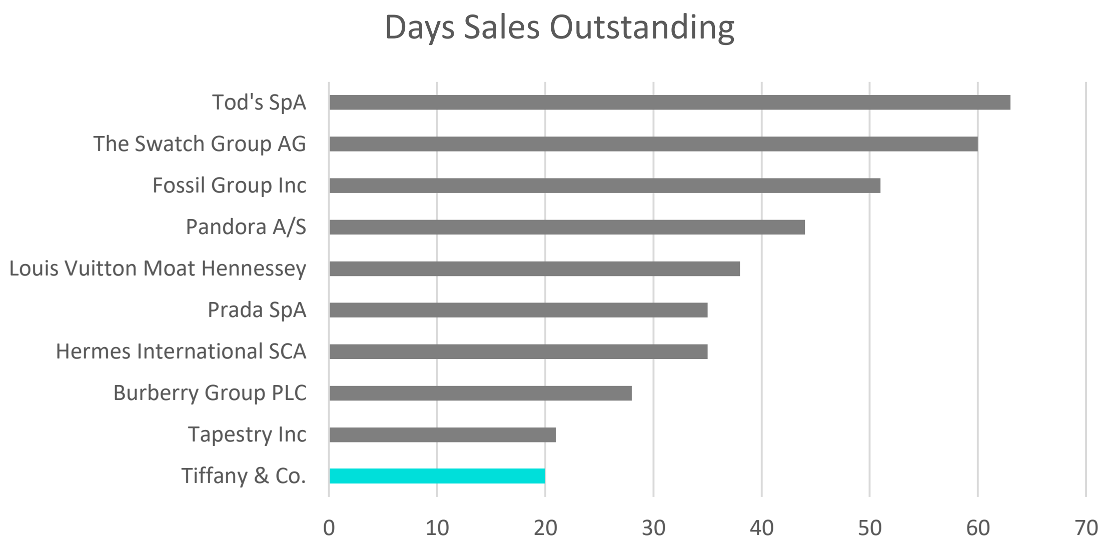
- Second only to Hermes, Tiffany's solid sales per store numbers show the importance of supply control & brand appeal in demanding a premium vs luxury good competitors

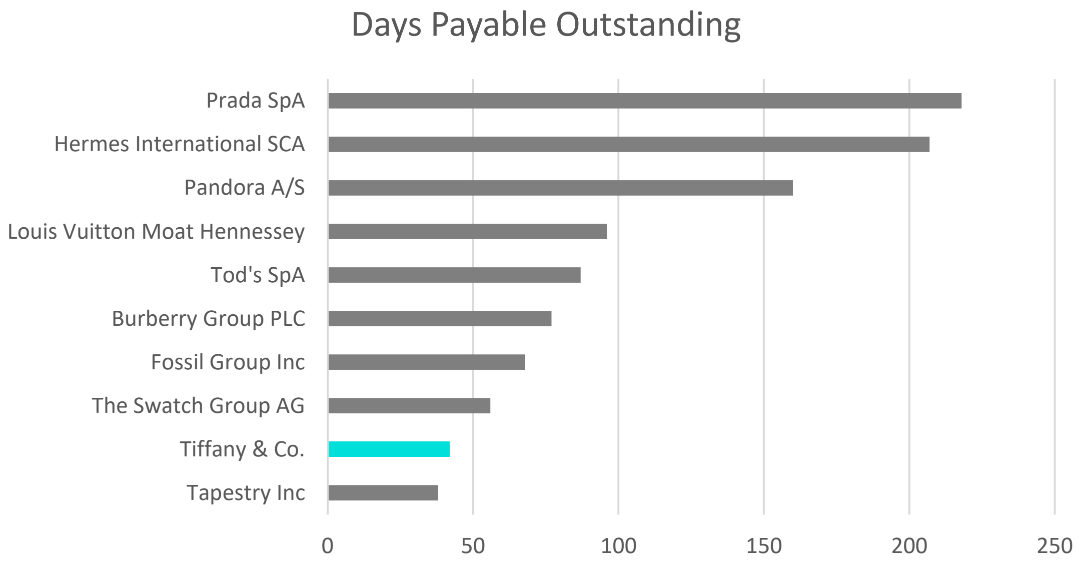
- Management must focus on growth but be careful not to dilute the brand equity associated with the exclusivity & luxury experience; given their background with top end luxury brands, we are confident in their ability to balance the two for the long-term benefit of shareholders

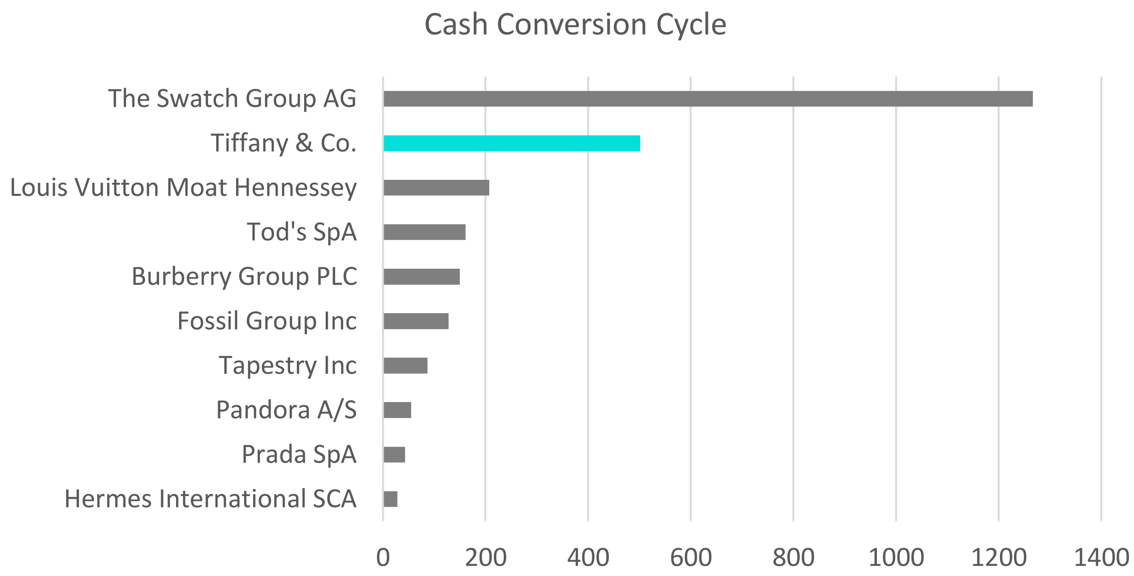


Efficiency


Days Inventory Held
The Swatch Group AG
Tiffany & Co.
Louis Vuitton Moat Hennessey
Prada SpA
Hermes International SCA
Burberry Group PLC
Tod's SpA
Pandora A/S
Fossil Group Inc
Tapestry Inc
0
200
400
600
800
1000
1200
1400


Days Sales Outstanding
Tod's SpA
The Swatch Group AG
Fossil Group Inc
Pandora A/S
Louis Vuitton Moat Hennessey
Prada SpA
Hermes International SCA
Burberry Group PLC
Tapestry Inc
Tiffany & Co.
0
10
20
30
40
50
60
70


Days Payable Outstanding
Prada SpA
Hermes International SCA
Pandora A/S
Louis Vuitton Moat Hennessey
Tod's SpA
Burberry Group PLC
Fossil Group Inc
The Swatch Group AG
Tiffany & Co.
Tapestry Inc
0
50
100
150
200
250


Cash Conversion Cycle
The Swatch Group AG
Tiffany & Co.
Louis Vuitton Moat Hennessey
Tod's SpA
Burberry Group PLC
Fossil Group Inc
Tapestry Inc
Pandora A/S
Prada SpA
Hermes International SCA
0
200
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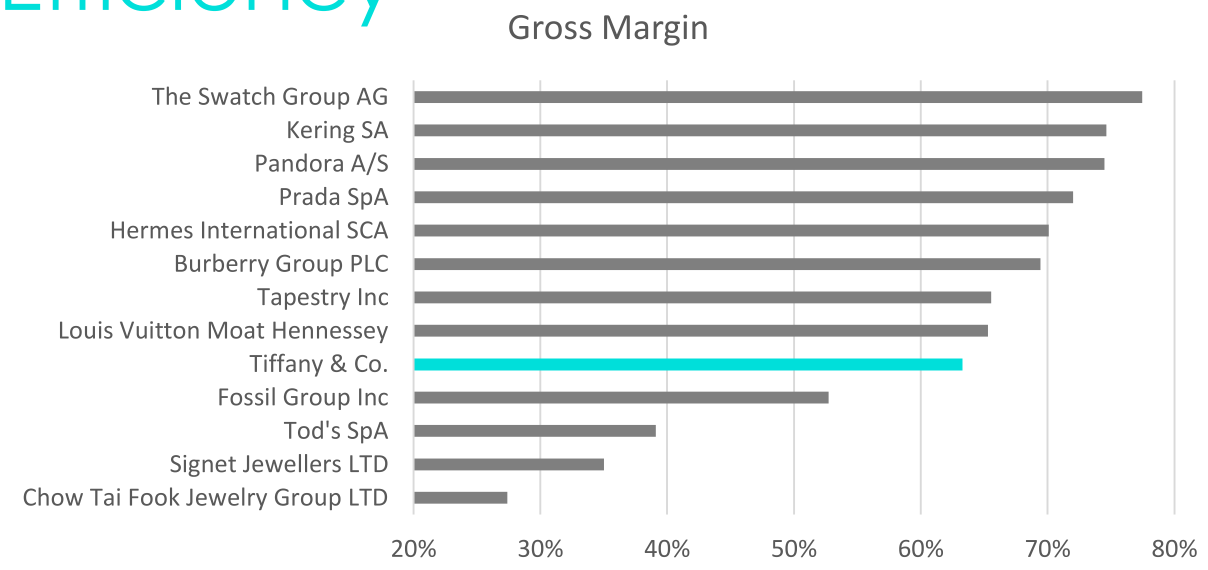
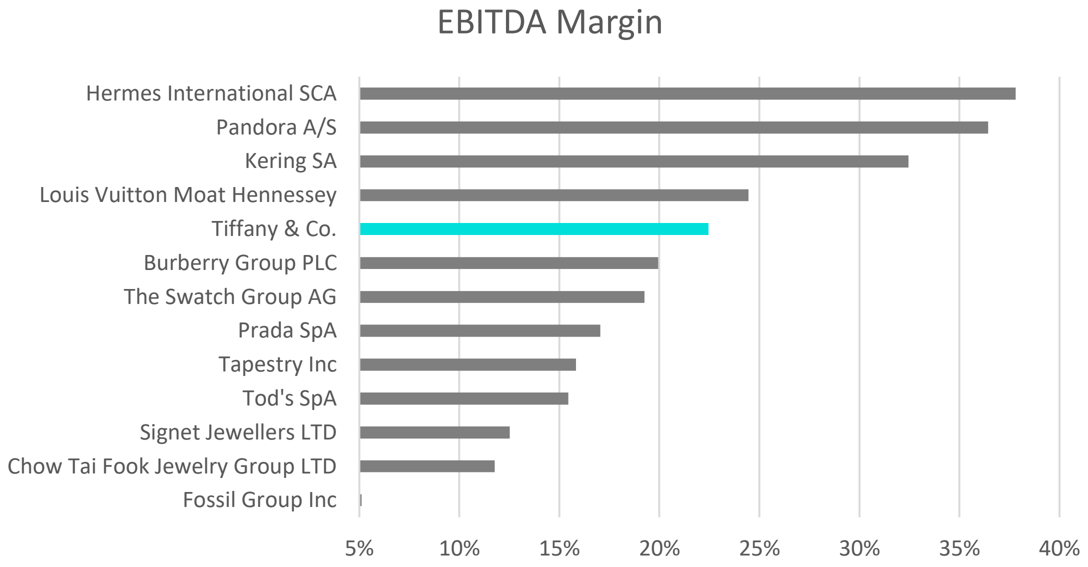
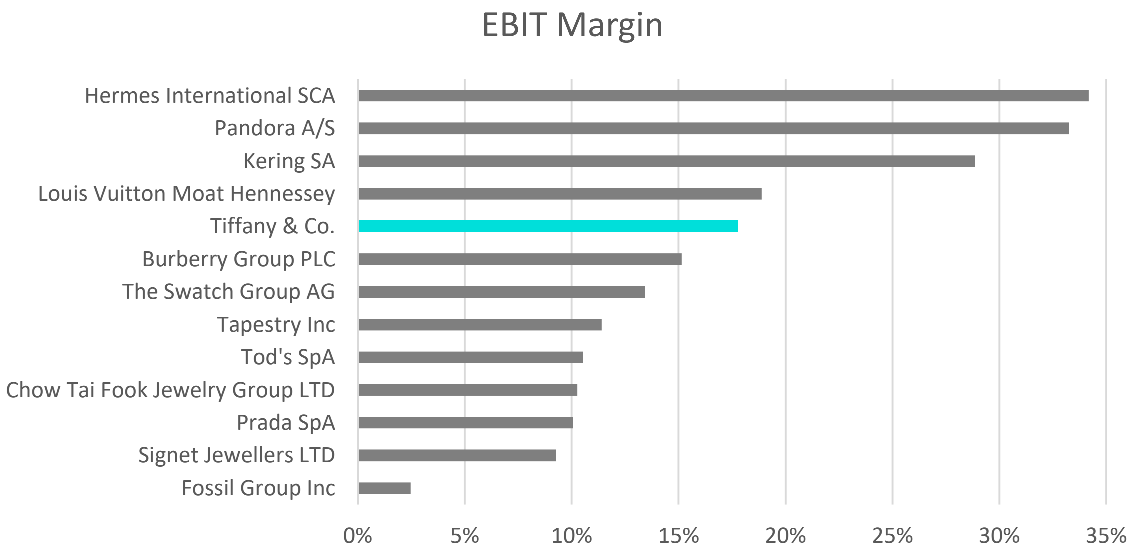
1000
1200
1400

Efficiency


Gross Margin
The Swatch Group AG
Kering SA
Pandora A/S
Prada SpA
Hermes International SCA
Burberry Group PLC
Tapestry Inc
Louis Vuitton Moat Hennessey
Tiffany & Co.
Fossil Group Inc
Tod's SpA
Signet Jewellers LTD
Chow Tai Fook Jewelry Group LTD
20%
30%
40%
50%
60%
70%
80%


EBITDA Margin
Hermes International SCA
Pandora A/S
Kering SA
Louis Vuitton Moat Hennessey
Tiffany & Co.
Burberry Group PLC
The Swatch Group AG
Prada SpA
Tapestry Inc
Tod's SpA
Signet Jewellers LTD
Chow Tai Fook Jewelry Group LTD
Fossil Group Inc
5%
10%
15%
20%
25%
30%
35%
40%


EBIT Margin
Hermes International SCA
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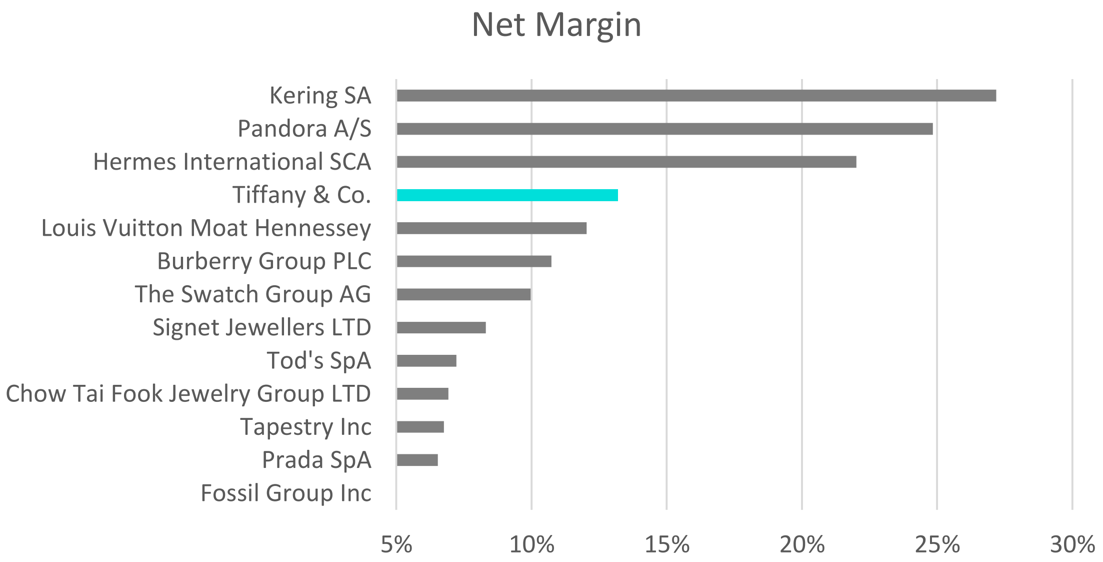
Tapestry Inc
Tod's SpA
Chow Tai Fook Jewelry Group LTD
Prada SpA
Signet Jewellers LTD
Fossil Group Inc
0%
5%
10%
15%
20%
25%
30%
35%


Net Margin
Kering SA
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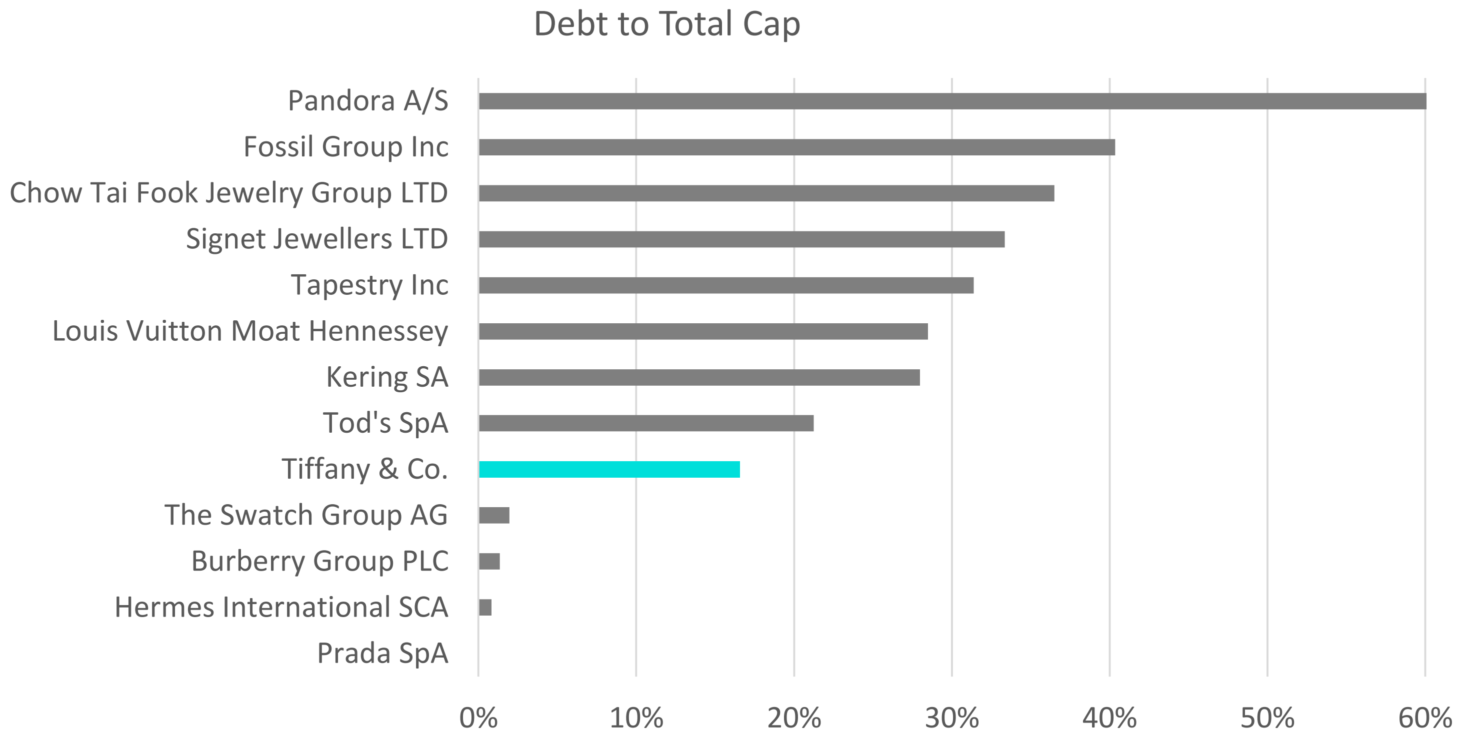
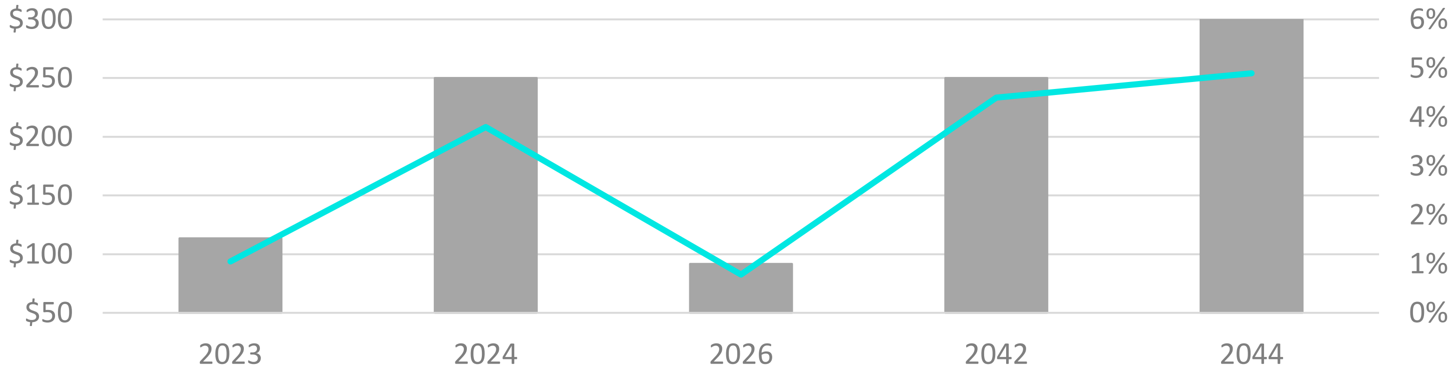
Burberry Group PLC
The Swatch Group AG
Signet Jewellers LTD
Tod's SpA
Chow Tai Fook Jewelry Group LTD
Tapestry Inc
Prada SpA
Fossil Group Inc
5%
10%
15%
20%
25%
30%

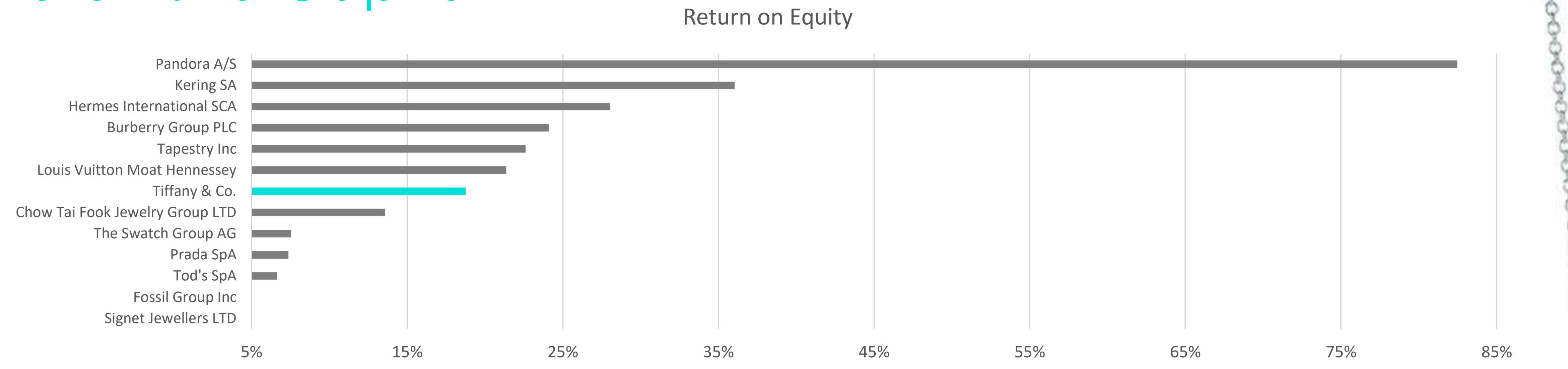
Leverage

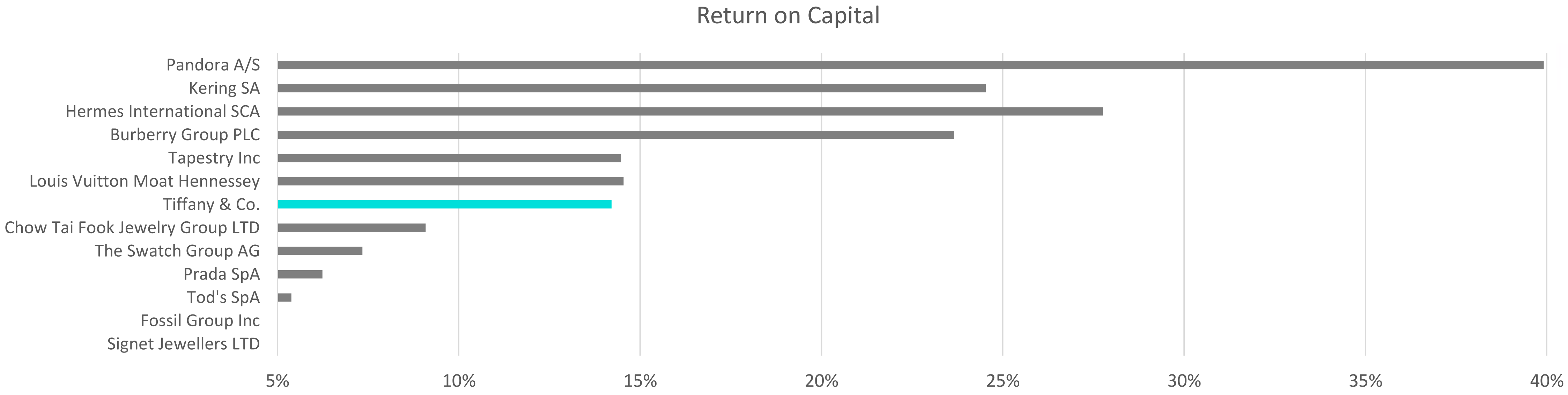
- 4.5 obligation ratio
- 70% of obligations are leases ranging from 7 to 10 years
- $150 mn net debt
- 20x times interest earned ratio
- All notes are senior secured & rated investment grade





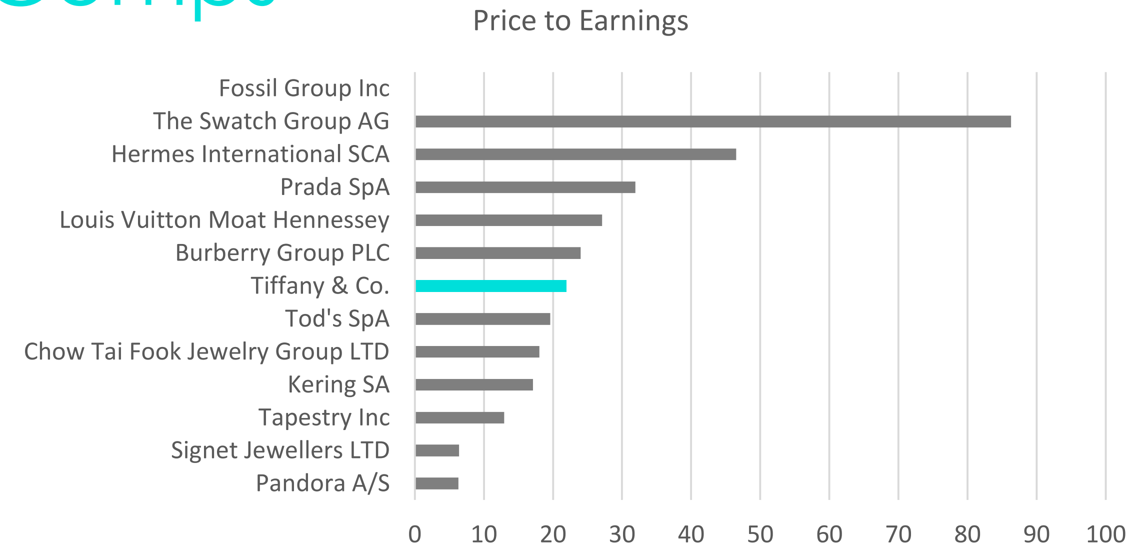
Returns to Capital

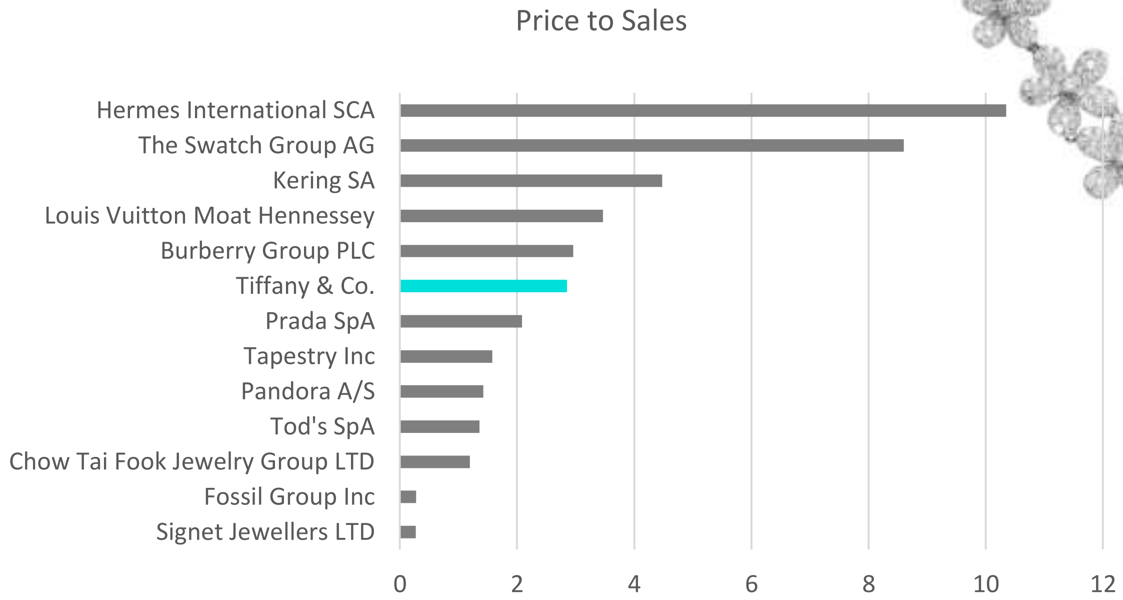


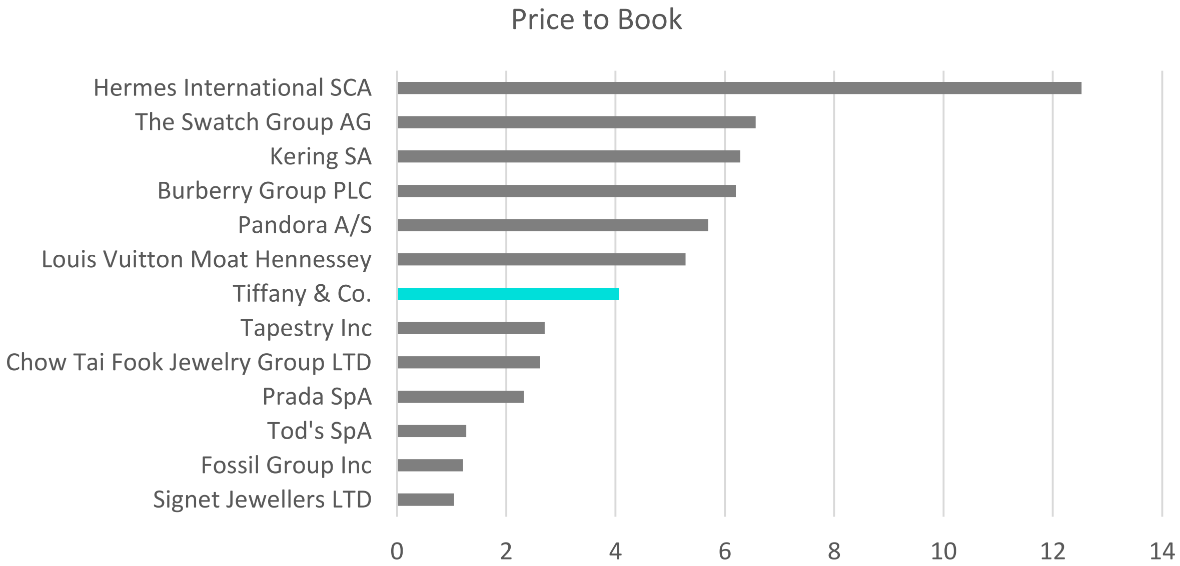


VALUATION

Comps


Price to Earnings
Fossil Group Inc
The Swatch Group AG
Hermes International SCA
Prada SpA
Louis Vuitton Moat Hennessey
Burberry Group PLC
Tiffany & Co.
Tod's SpA
Chow Tai Fook Jewelry Group LTD
Kering SA
Tapestry Inc
Signet Jewellers LTD
Pandora A/S
0 10 20 30 40 50 60 70 80 90 100


Price to Sales
Hermes International SCA
The Swatch Group AG
Kering SA
Louis Vuitton Moat Hennessey
Burberry Group PLC
Tiffany & Co.
Prada SpA
Tapestry Inc
Pandora A/S
Tod's SpA
Chow Tai Fook Jewelry Group LTD
Fossil Group Inc
Signet Jewellers LTD
0 2 4 6 8 10 12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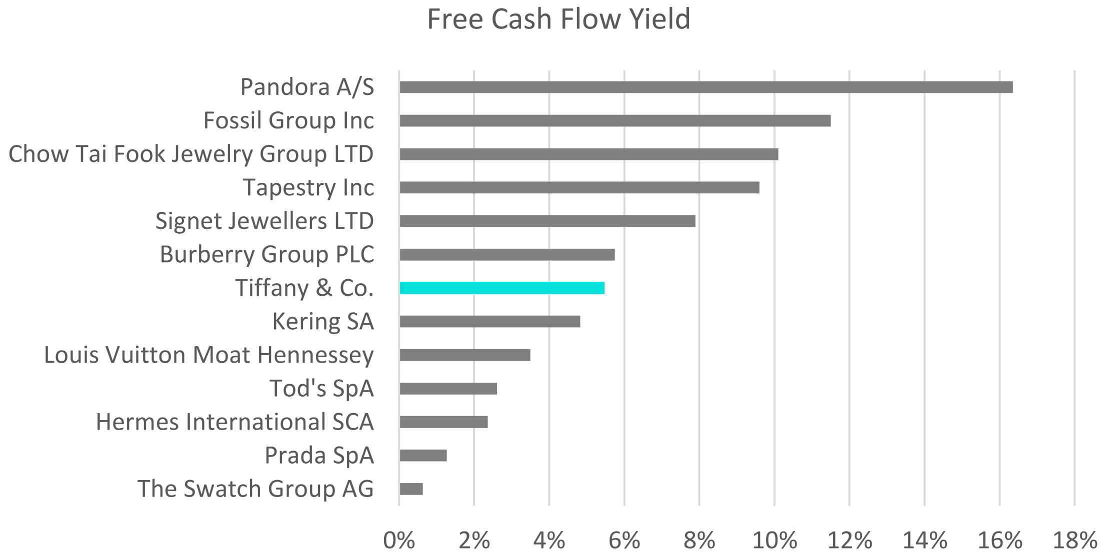
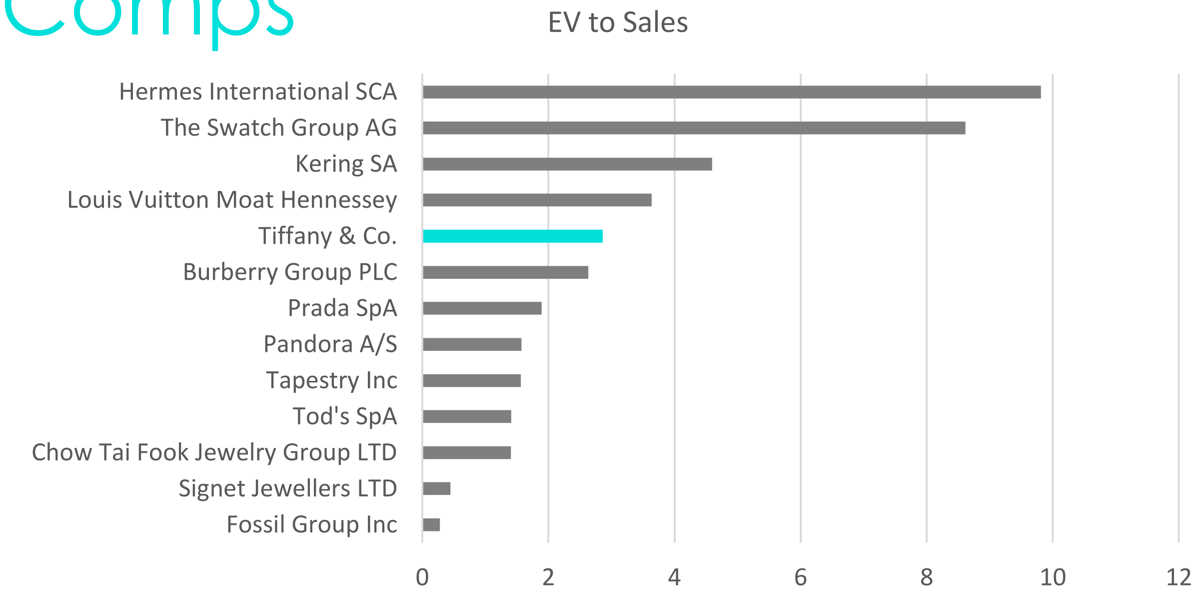
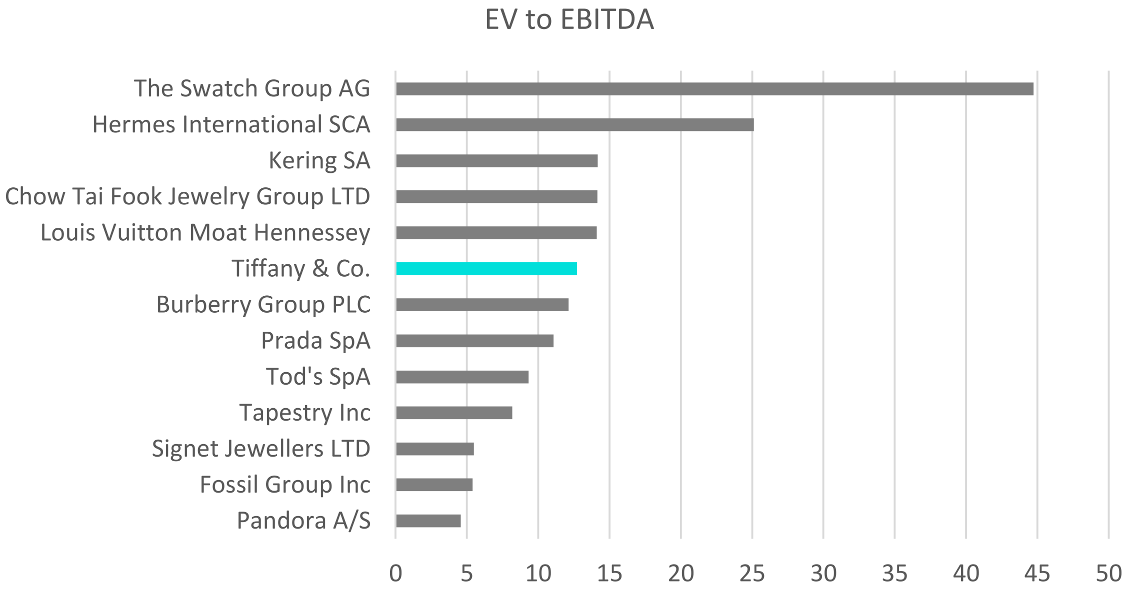
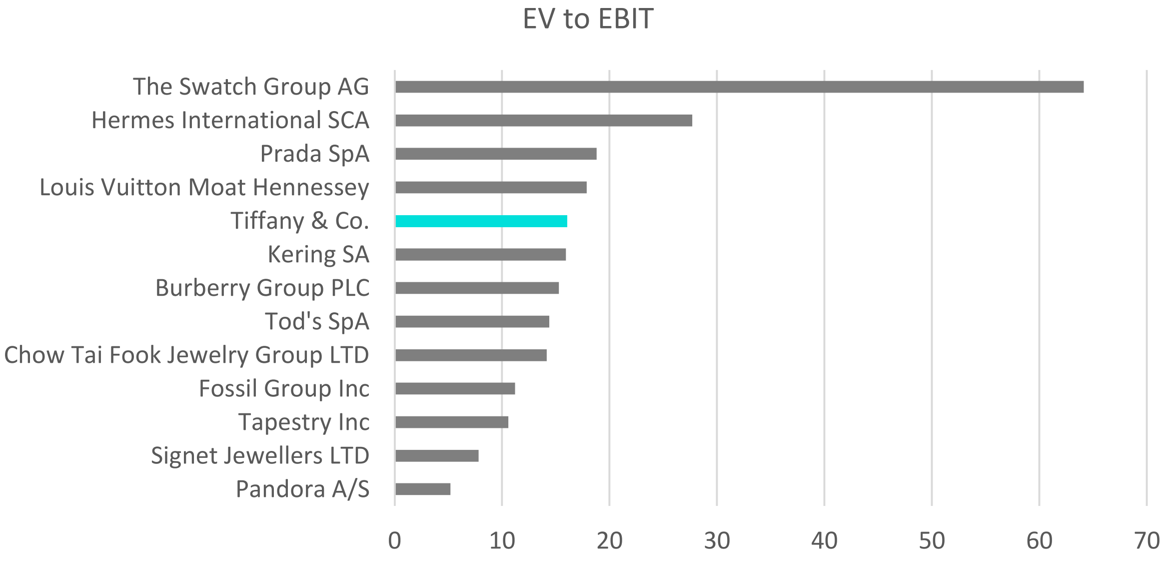
The Swatch Group AG
Kering SA
Burberry Group PLC
Pandora A/S
Louis Vuitton Moat Hennessey
Tiffany & Co.
Tapestry Inc
Chow Tai Fook Jewelry Group LTD
Prada SpA
Tod's SpA
Fossil Group Inc
Signet Jewellers LTD
0 2 4 6 8 10 12 14


Free Cash Flow Yield
Pandora A/S
Fossil Group Inc
Chow Tai Fook Jewelry Group LTD
Tapestry Inc
Signet Jewellers LTD
Burberry Group PLC
Tiffany & Co.
Kering SA
Louis Vuitton Moat Hennessey
Tod's SpA
Hermes International SCA
Prada SpA
The Swatch Group AG
0% 2% 4% 6% 8% 10% 12% 14% 16% 18%

Comps


EV to Sales
Hermes International SCA
The Swatch Group AG
Kering SA
Louis Vuitton Moat Hennessey
Tiffany & Co.
Burberry Group PLC
Prada SpA
Pandora A/S
Tapestry Inc
Tod's SpA
Chow Tai Fook Jewelry Group LTD
Signet Jewellers LTD
Fossil Group Inc
0 2 4 6 8 10 12


EV to EBITDA
The Swatch Group AG
Hermes International SCA
Kering SA
Chow Tai Fook Jewelry Group LTD
Louis Vuitton Moat Hennessey
Tiffany & Co.
Burberry Group PLC
Prada SpA
Tod's SpA
Tapestry Inc
Signet Jewellers LTD
Fossil Group Inc
Pandora A/S
0 5 10 15 20 25 30 35 40 45 50


EV to EBIT
The Swatch Group AG
Hermes International SCA
Prada SpA
Louis Vuitton Moat Hennessey
Tiffany & Co.
Kering SA
Burberry Group PLC
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Chow Tai Fook Jewelry Group LTD
Fossil Group Inc
Tapestry Inc
Signet Jewellers LTD
Pandora A/S
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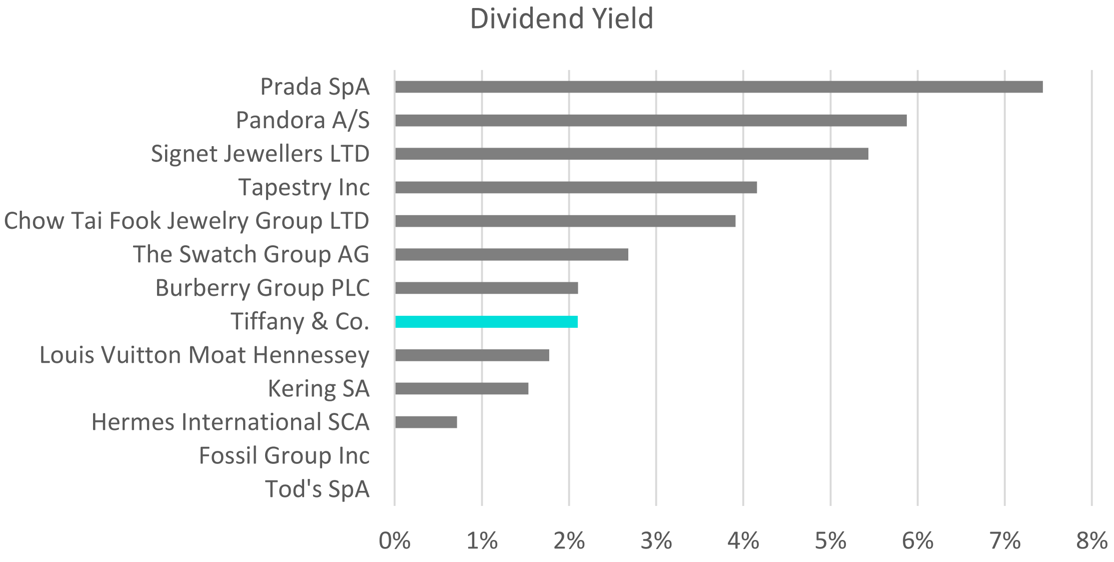
Dividend Yield
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Pandora A/S
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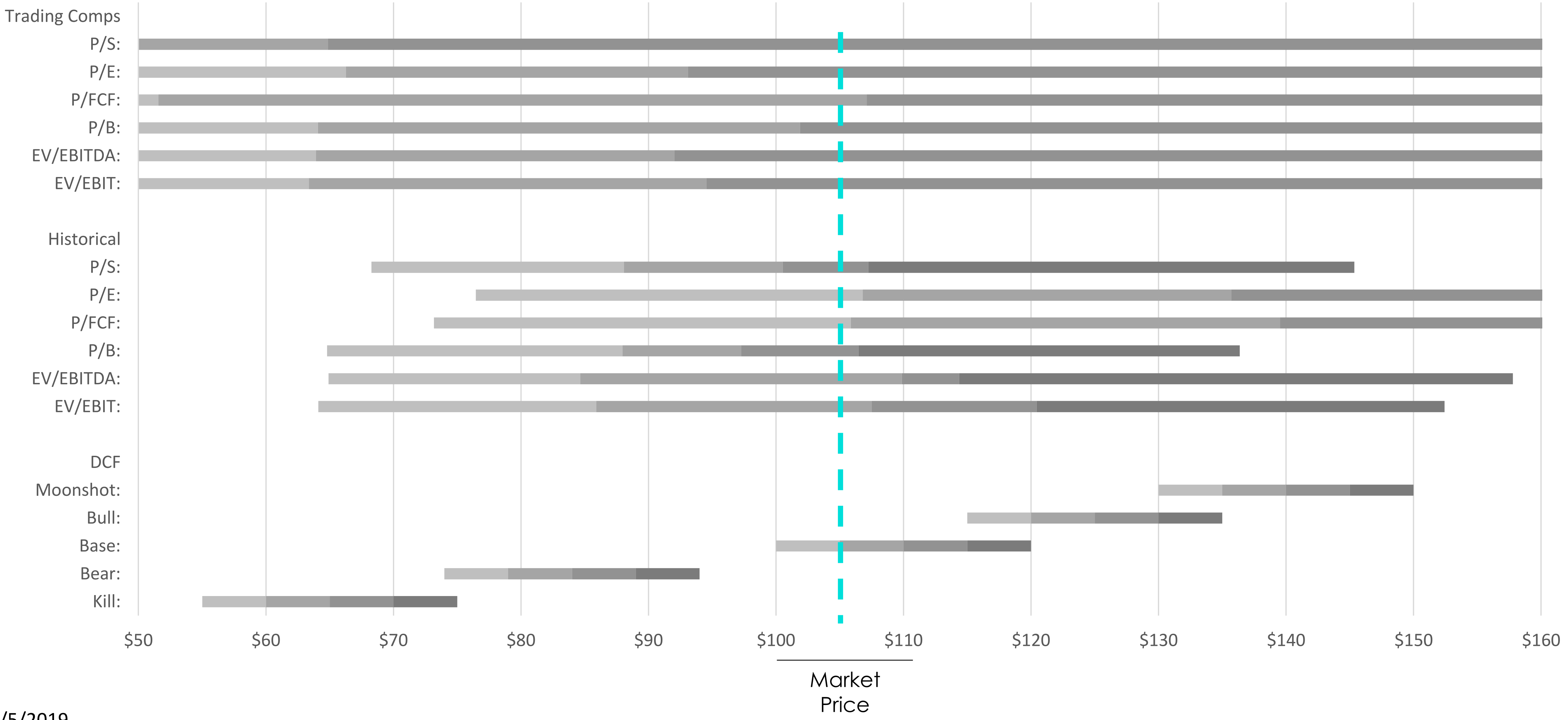
Tapestry Inc
Chow Tai Fook Jewelry Group LTD
The Swatch Group AG
Burberry Group PLC
Tiffany & Co.
Louis Vuitton Moat Hennessey
Kering SA
Hermes International SCA
Fossil Group Inc
Tod's SpA
0% 1% 2% 3% 4% 5% 6% 7% 8%

Discounted Cash Flow

Kill	Revenue falls by 8% then grows at 1% CAGR to 2024. EBIT margin falls to 13.5% then grows to 18% by 2024. Cash conversion cycle worsens to 600 days causing working capital to increase substantially.	$78
Bear	Revenue falls by 2% before growing at a 2% CAGR to 2024. EBIT margins collapse to 15% then grow to 18.5% by 2024. Cash conversion cycle worsens to 550 days causing a mild increase in working capital.	$90
Base	Revenue hits management guidance by growing at 3.5% and then by a 2% CAGR to 2024. EBIT margin comes in at 19% and expands to 21% through top-line growth. Cash conversion cycle remains consistent with historical measures of ~510 days.	$110
Bull	Revenue growth hits 4% and grows at a 3% CAGR to 2024. EBIT margins expands to 19.5% this fiscal year and further expands to 22%. Cash conversion cycle decreases to 470 days causing increased free cash flow to investors through less working capital expenses.	$124
Moonshot	Revenue growth hits 5% then grows at a 3.5% CAGR. EBIT Margin expands to 20% this fiscal year and then to 23% by 2024. Cash conversion cycle decreases to 420 days and free cash flow is used to accelerate share repurchases and larger than historical dividend hikes.	$140

all scenarios discounted back at 10%

Current Valuation



CONCLUSION

Thesis & Targets

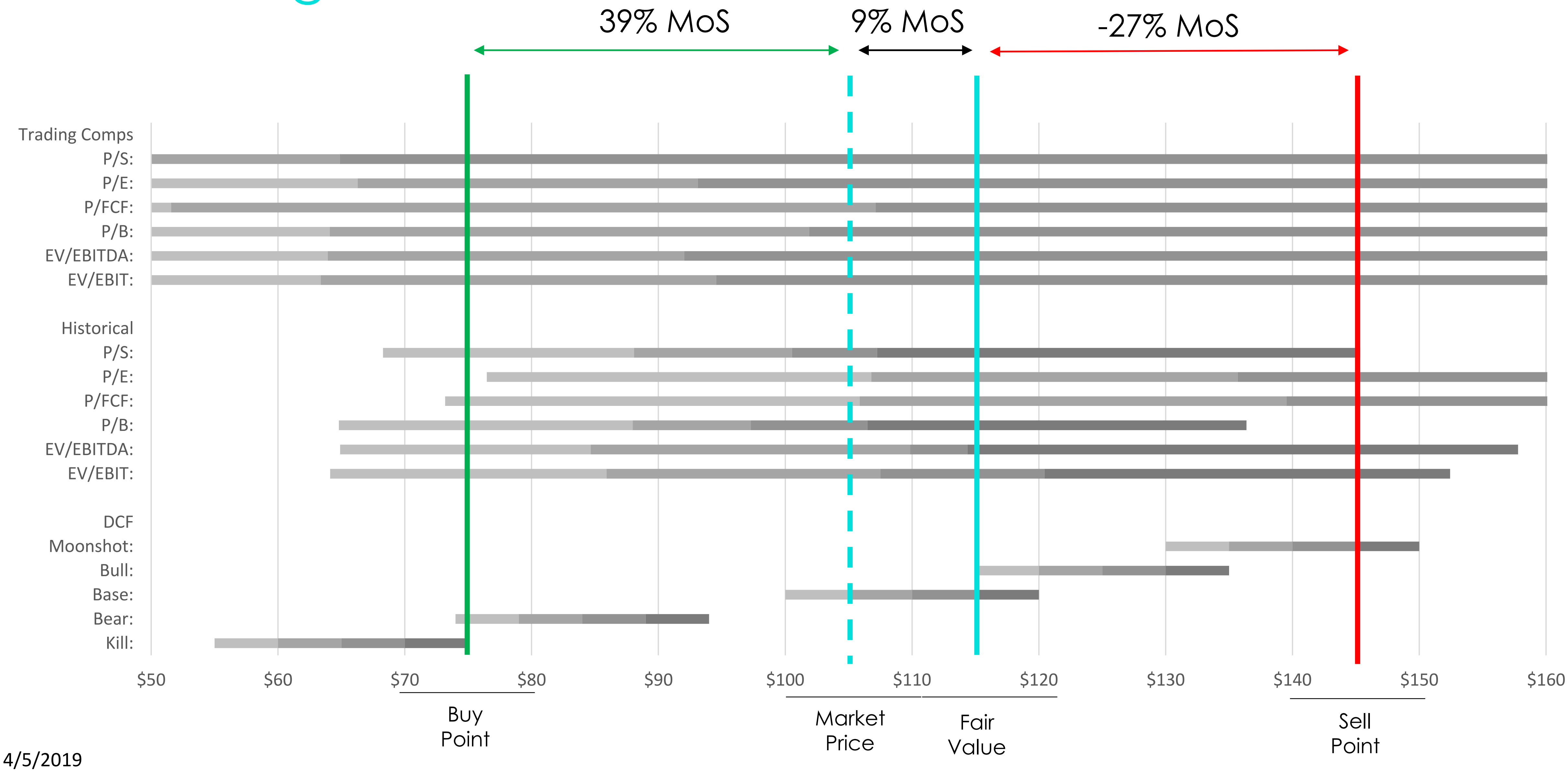
- 182 years of American luxury goods with iconic intangible assets
- Catalysts include an increase in higher income individuals in Asia-Pacific, growth in designer lines, increasing operational efficiencies & improved culture via the firms poaching of top officials from luxury brand competitors
- Risks to our thesis include potentially difficult economic conditions, lower marriage rates in developed nations, & failure to gain foot traffic or adapt to e-commerce
- We estimate fair value to be $114 by using a weighted average of methodologies such as the base case discounted cash flow, 25th percentile price to earnings ratio & 25th percentile free cash flow yield

Sell Point: Weighted average between historical 75th & max paired with industry 75th for price to earnings & free cash flow yield. Lastly, 75th value of bull case DCF scenario. **$145**

Fair Value: Weighted average of historical 25th percentile & industry mean for price to earnings & free cash flow yield. Also paired with base case DCF scenario. **$114**

Buy Point: Weighted average between historical 25th & min paired with industry 25th for price to earnings & free cash flow yield. Lastly, 25th value of bear case DCF scenario. **$75**

Thesis & Targets



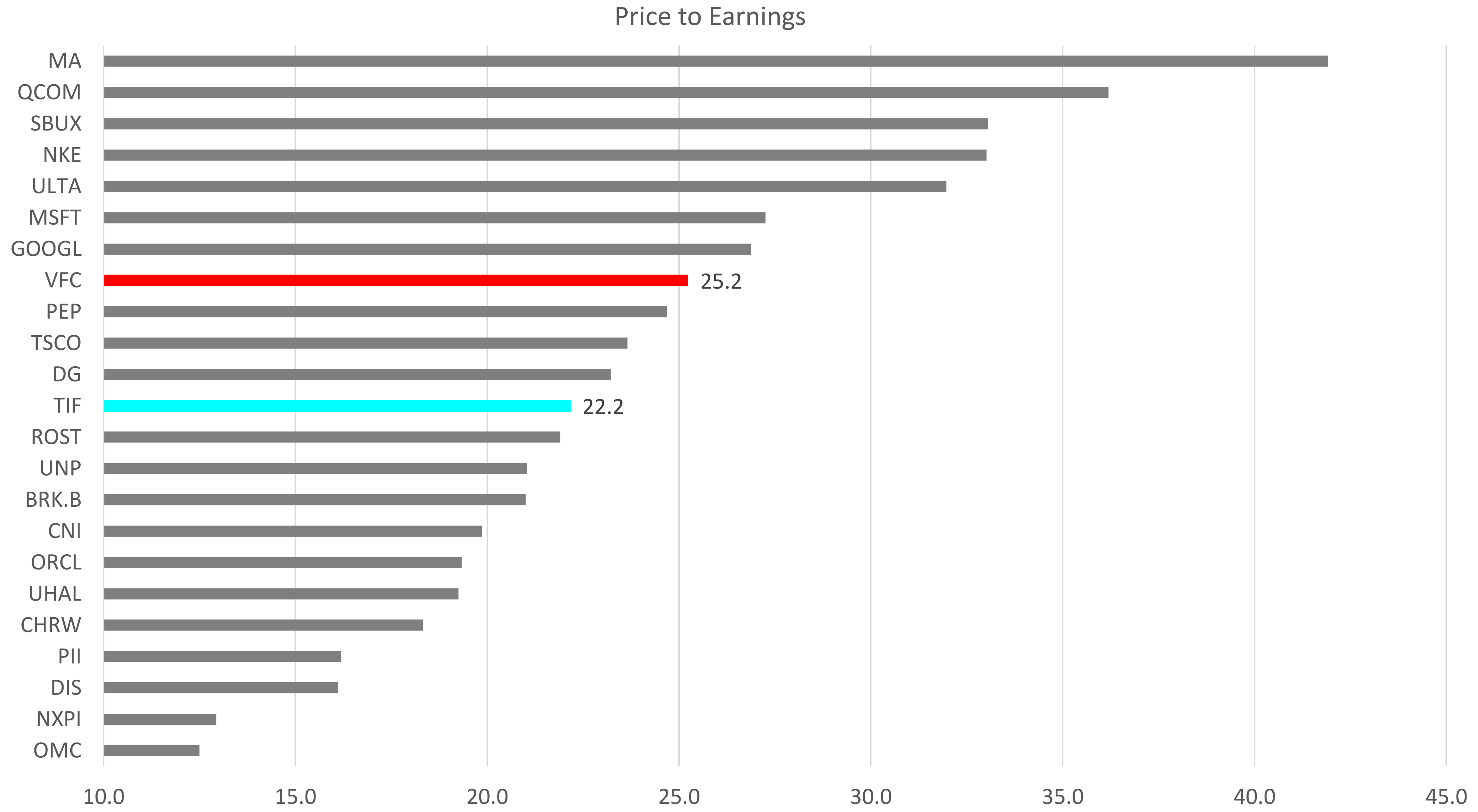
"It calms me down right away, the quietness and the proud look of it; nothing very bad could happen to you there, not with those kind men in their nice suits, and that lovely smell of silver and alligator wallets. If I could find a real-life place that made me feel like Tiffany's, then I'd buy some furniture and give the cat a name."

Q&A

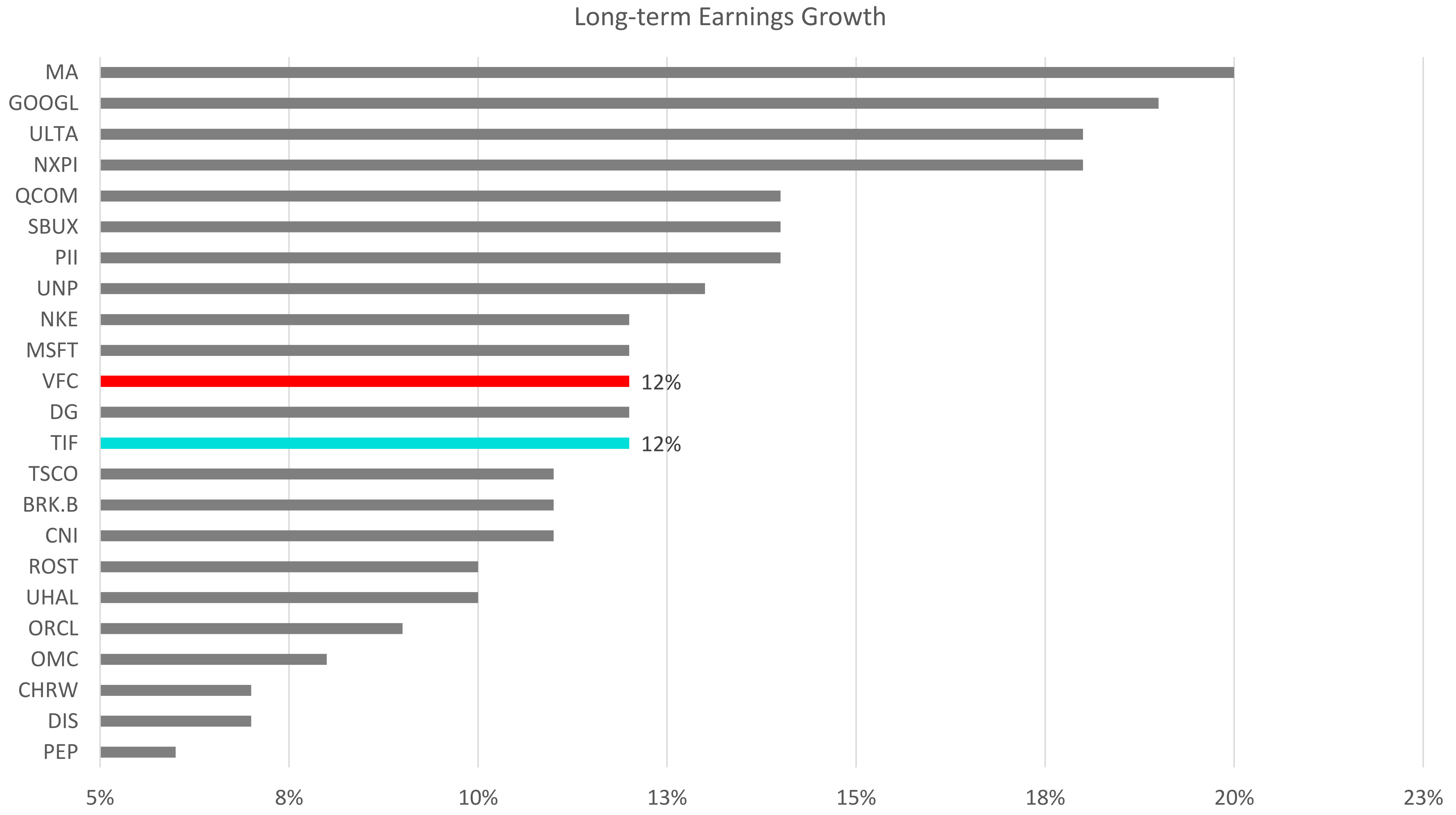
APPENDIX

TIFFANY & CO.

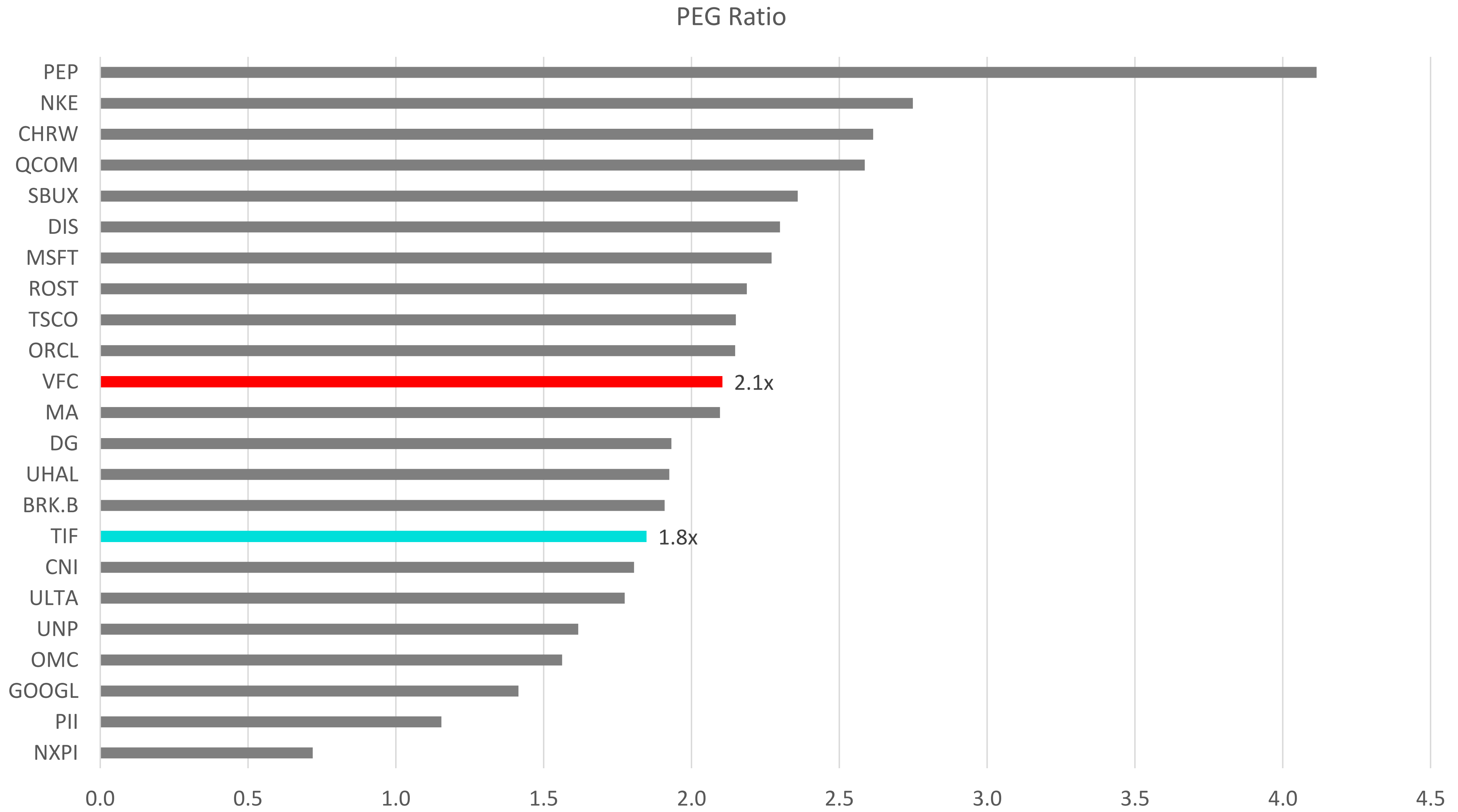
Intraportfolio



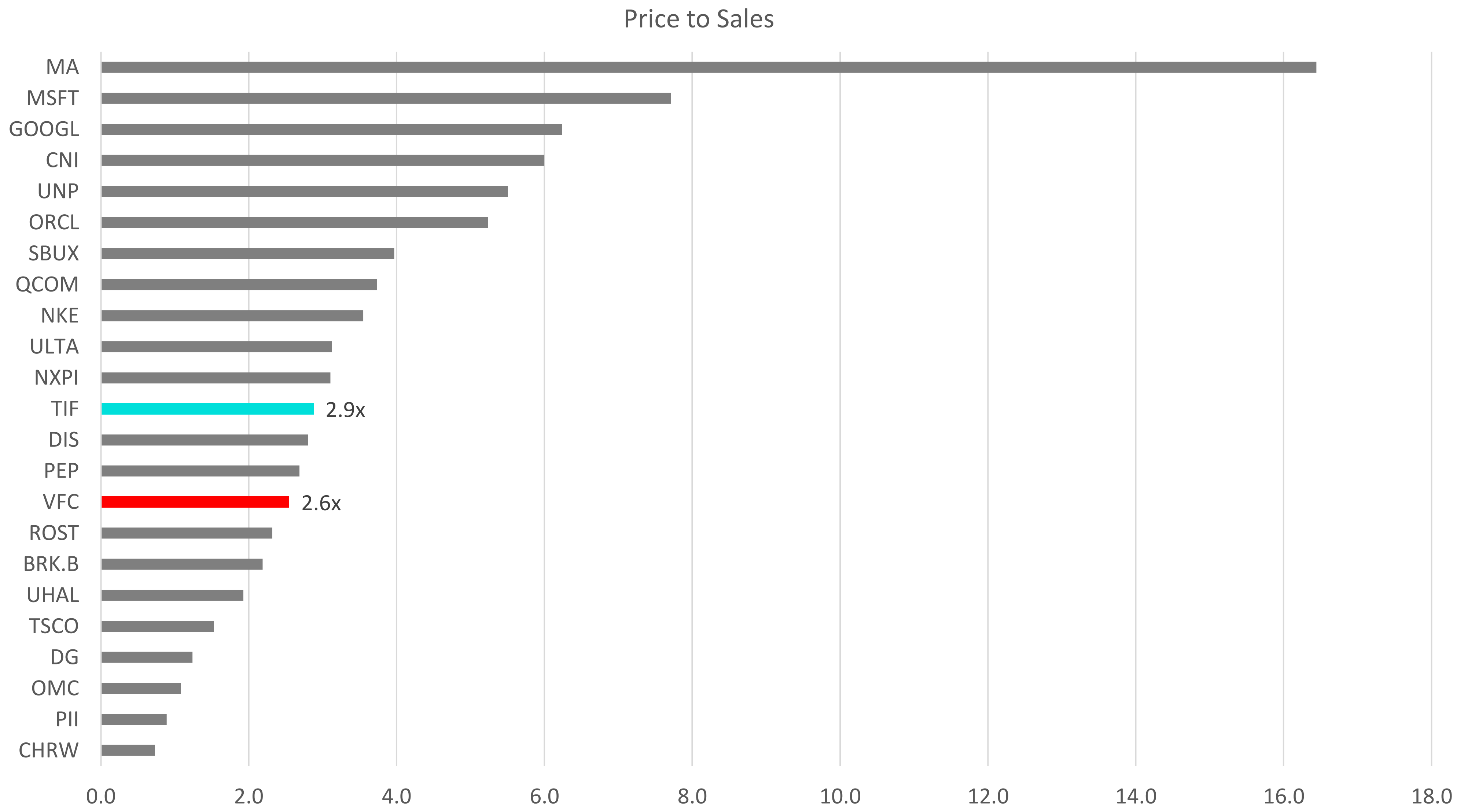
Intraportfolio



Intraportfolio



Intraportfolio



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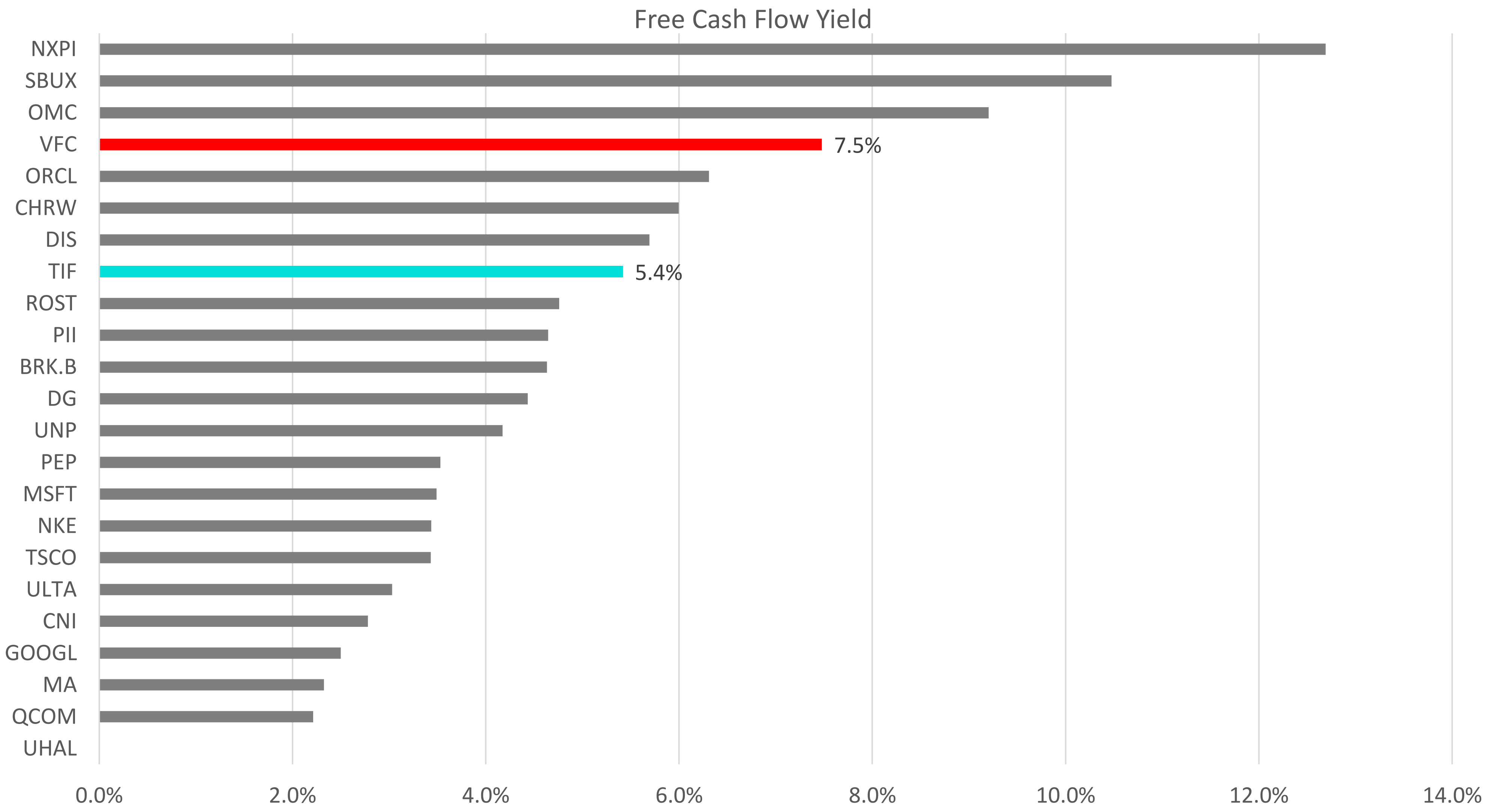

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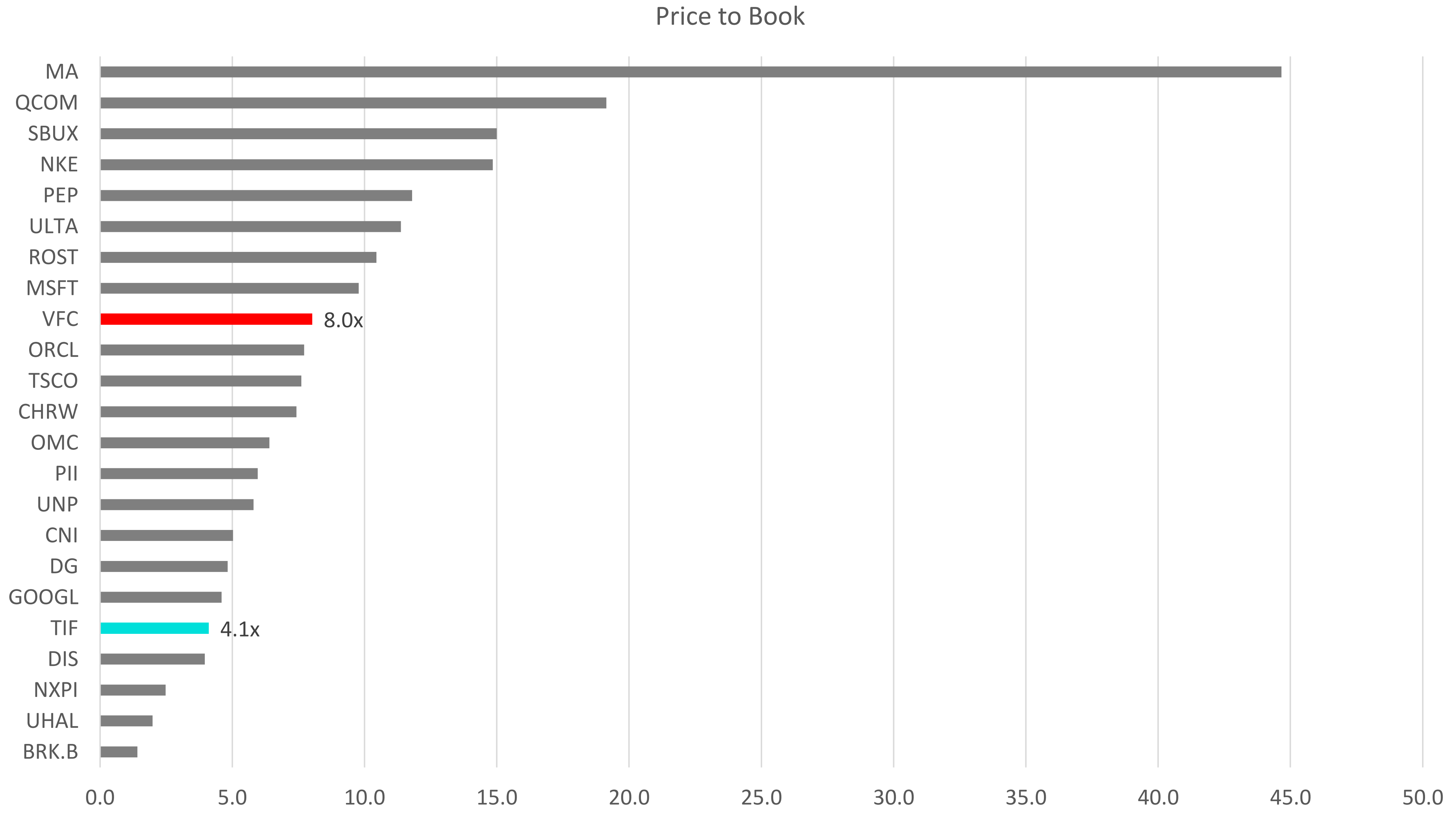
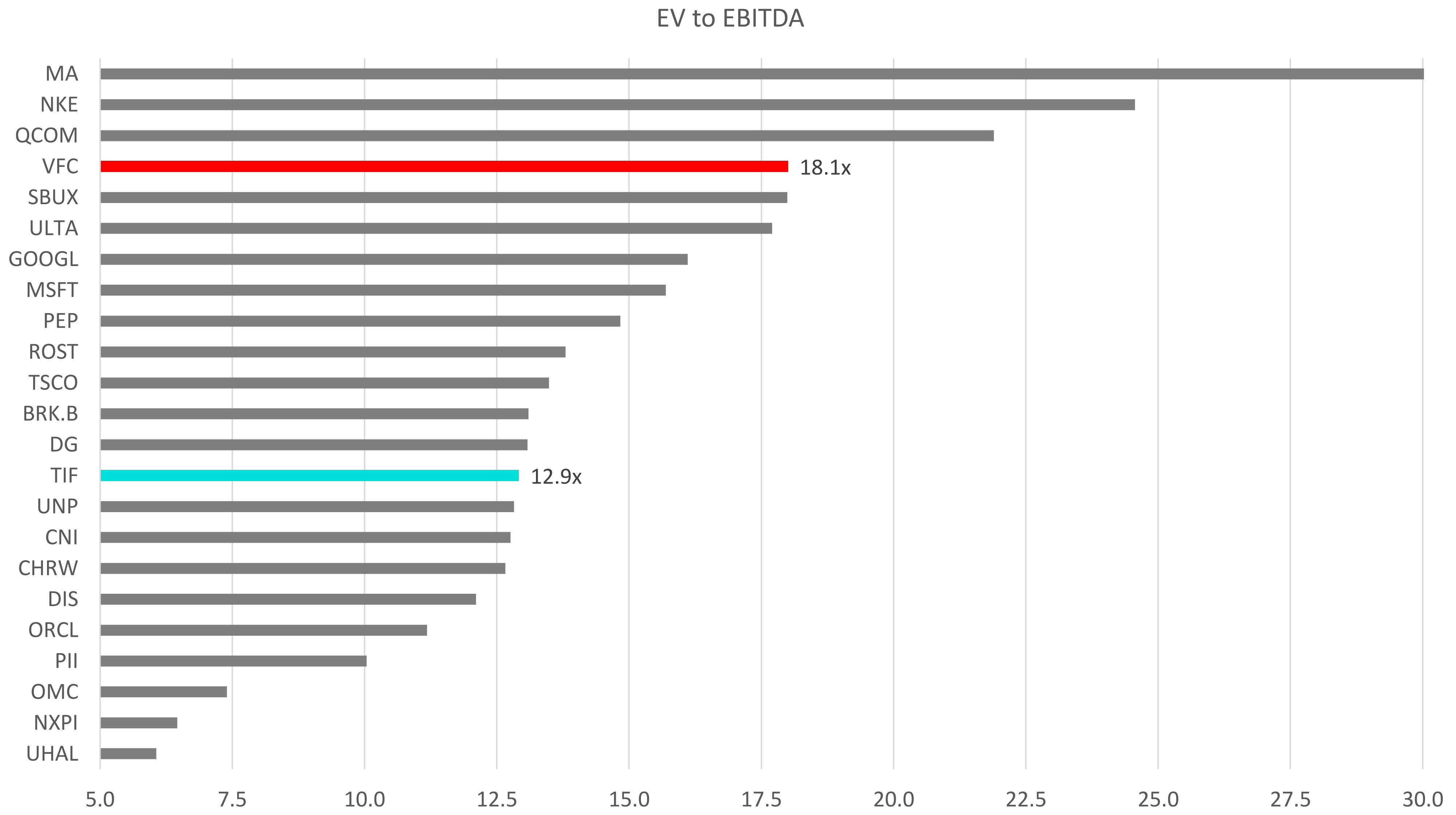


Intraportfolio



Intraportfolio

TIF:	Average rank of 9.3 with free cash flow yield, low p/e & high long-term eps growth estimates helping its relative valuation.	9.3
VFC:	Average rank of 10.7 with high free cash flow yield, high long-term earnings growth estimates, & an attractive price to sales ratio helping its relative valuation.	10.7

Valuation

	Multiple	Metric	Value	Weight	Weighted Value
Historic 25th P/E	23.0x	$4.75	$109.25	*20.0%*	$21.85
Comps Mean P/E	26.0x	$4.75	$123.50	*15.0%*	$18.53
Historic 25th FCF Yield	*5.0%*	$5.61	$112.23	*20.0%*	$22.45
Comps Mean FCF Yield	*4.5%*	$5.61	$124.70	*15.0%*	$18.70
DCF	Base	5 yr	$109.50	*30.0%*	$32.85
				Fair Value	**$114.37**

Historical

Value Bands	P/E	P/S	FCF Yield	P/B	EV/EBITDA	EV/EBIT	EV/S
Min	11.4	0.9	*12.1%*	1.5	5.8	7.8	1.1
25th	19.8	2.1	*5.3%*	3.1	9.8	12.3	2.3
Med	23.3	2.5	*3.5%*	3.6	11.4	14.4	2.6
Mean	27.1	2.5	*3.3%*	3.6	12.3	16.2	2.6
Avg	25.2	2.5	*3.4%*	3.6	11.8	15.3	2.6
75th	26.8	2.9	*0.9%*	4.0	12.6	16.0	2.9
Max	41.0	4.0	*1.0%*	5.4	27.8	43.6	3.9

Tiffany & Co.

Income Statement

Income Statement *$ in millions (except per share data)*	Notes	FY 2017 1/31/2017	FY 2018 1/31/2018	FY 2019 1/31/2019	FY 2020 1/31/2020	FY 2021 1/30/2021	FY 2022 1/30/2022	FY 2023 1/30/2023	FY 2024 1/30/2024	*5 yr CAGR*
Revenue		$ 4,001.8	$ 4,169.8	$ 4,442.1	$4,597.6	$4,781.5	$4,972.7	$5,171.6	$5,378.5	*3.9%*
Cost of sales		1,502.8	1,559.1	1,631.1	1655.1	1721.3	1740.5	1810.1	1828.7	
Gross profit		**2,499**	**2,610.7**	**2,811**	**2942.4**	**3060.1**	**3232.3**	**3361.6**	**3549.8**	
Selling, general and administrative expenses		1,752.6	1,801.3	2,020.7	2072.4	2151.7	2237.7	2275.5	2366.5	
Earnings from operations		**746.4**	**809.4**	**790.3**	**870.1**	**908.5**	**994.5**	**1086.0**	**1183.3**	
Interest expense and financing costs		46	42	39.7	35.9	32.2	27.8	23.4	14.8	
Other expense, net		23.8	6.9	7.1	7.8	9.6	9.9	10.3	10.8	
Pretax income		**676.6**	**760.5**	**743.5**	**826.4**	**866.8**	**956.8**	**1052.3**	**1157.7**	
Provision for income taxes		230.5	390.4	157.1	192.8	199.4	220.1	242.0	266.3	
Net income		**$ 446.1**	**$ 370.1**	**$ 586.4**	**$633.62**	**$667.4**	**$736.8**	**$810.2**	**$891.4**	*8.7%*
Basic shares outstanding		125.1	124.5	122.9	121.0	119.7	117.7	116.0	114.5	
Diluted shares outstanding		**125.5**	**125.1**	**123.5**	121.6	120.3	118.3	116.6	115.1	*-1.4%*
EPS basic		$3.57	$2.97	$4.77	$5.23	$5.58	$6.26	$6.98	$7.79	
EPS diluted		**$3.55**	**$2.96**	**$4.75**	**$5.21**	**$5.55**	**$6.23**	**$6.95**	**$7.75**	*10.3%*
EPS adjustments		-	$1.30	-	-	-	-	-	-	
Eps diluted (adj)		-	**$4.26**	-	-	-	-	-	-	
EBIT		**$746.4**	**$809.4**	**$790.3**	**$870.1**	**$908.5**	**$994.5**	**$1,086.0**	**$1,183.3**	*8.4%*
EBITDA		**$949.4**	**$1,018.4**	**$997.3**	**$1,077.0**	**$1,123.6**	**$1,203.4**	**$1,292.9**	**$1,398.4**	*7.0%*
Return on equity		***15.2%***	***11.4%***	***18.7%***	***22.1%***	***21.7%***	***22.9%***	***23.9%***	***24.6%***	*5.6%*
Return on invested capital		***11.3%***	***8.7%***	***14.2%***	***16.8%***	***17.2%***	***18.9%***	***20.3%***	***22.3%***	*9.4%*

Balance Sheet

Balance Sheet *$ in millions (except per share data)*	Notes	FY 2016 1/31/2016	FY 2017 1/31/2018	FY 2018 1/31/2019	FY 2019 1/31/2020	FY 2020 1/30/2021	FY 2021 1/30/2022	FY 2022 1/30/2023	FY 2023 1/30/2024
Current assets:									
Cash and cash equivalents		886.6	$ 1,291.2	$ 855.3	$883.5	$871.5	$862.2	$814.0	$781.6
Accounts receivable, net		206.4	231.2	245.4	251.9	262.0	272.5	283.4	294.7
Inventories, net		2225	2,253.5	2,428	2435.1	2532.5	2560.6	2663.0	2690.4
Other current assets	-	190.4	207.4	230.8	228.8	237.9	247.4	257.3	267.6
Total current assets		**3,508.4**	**3,983.3**	**3,759.5**	**3799.2**	**3903.9**	**3942.7**	**4017.7**	**4034.4**
PP&E net		935.8	990.5	1,026.7	1072.7	1120.5	1160.3	1212.0	1265.8
Other long-term assets	-	677.4	188.2	215.8	229.9	239.1	248.6	258.6	268.9
Total Assets		**5121.6**	**5,468.1**	**5,333.0**	**5101.8**	**5263.5**	**5351.6**	**5488.3**	**5569.1**
Current liabilities:									
Short-term borrowings		221.6	120.6	113.4	109.8	109.8	109.8	109.8	109.8
Accounts payable and accrued liabilities		329.1	437.4	513.4	529.0	550.2	572.2	595.1	618.9
Income taxes payable		27.1	89.4	21.4	28.9	29.9	33.0	36.3	39.9
Merchandise credits and deferred revenue	-	67.9	77.4	69.9	78.6	81.7	85.0	88.4	91.9
Total current liabilities		**645.7**	**724.8**	**718.1**	**746.35**	**771.64**	**800.02**	**829.60**	**860.58**
Long-term debt		790	882.9	883.4	783.5	694.3	584.4	476.3	260.6
Pension/postretirement benefit obligations		428.1	287.4	312.4	377.4	392.4	408.1	424.5	441.4
Other long term liabilities	-	328.3	324.8	288.2	321.8	334.7	348.1	362.0	376.5
Total liabilities		**2192.1**	**2,219.9**	**2,202.1**	**2229.0**	**2193.1**	**2140.7**	**2092.4**	**1939.1**
Stockholders' equity:									
Preferred stock		0	0	0	0	0	0	0	0
Common stock		2911.4	3,233.4	3,117.4	2,859.2	3,056.8	3,197.4	3,382.4	3,616.5
Non-controlling interests	-	18.1	14.8	13.5	13.5	13.5	13.5	13.5	13.5
Total stockholders' equity		**2929.5**	**3,248.2**	**3,130.9**	**2,872.7**	**3,070.3**	**3,210.9**	**3,395.9**	**3,630.0**
Total Liabilities and Stockholders' Equity		**5121.6**	**5468.1**	**5333.0**	**5101.8**	**5263.5**	**5351.6**	**5488.3**	**5569.1**
BV per share		**$23.34**	**$25.96**	**$25.35**	**$23.62**	**$25.53**	**$27.13**	**$29.12**	**$31.54**
Balance Check		*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*

TIFFANY & CO.

Cash Flow Statement

Cash Flow Statement *$ in millions (except per share data)*	Notes	FY 2016 1/31/2016	FY 2017 1/31/2017	FY 2018 1/31/2018	FY 2019 1/31/2019	FY 2020 1/31/2020	FY 2021 1/30/2021	FY 2022 1/30/2022	FY 2023 1/30/2023
Operations									
Net income		$ 446.1	$ 370.1	$ 586.4	$ 633.6	$ 667.4	$ 736.8	$ 810.2	$ 891.4
Depreciation & amortization		203	209	207	206.9	215.2	208.9	206.9	215.1
Net (inc)/dec in working capital		6	-116	165	2.0	-106.5	-35.5	-110.0	-35.1
Others net		158.9	238.9	-26.4	123.8	123.8	123.8	123.8	123.8
Cash from operations		**$814.0**	**$702.0**	**$932.0**	**$966.4**	**$899.9**	**$1,033.9**	**$1,030.9**	**$1,195.3**
Investing									
Capital expenditures		-253	-223	-239	-252.9	-263.0	-248.6	-258.6	-268.9
Acquisitions		0	0	0	0	0	0	0	0
Divestitures		0	0	0	0	0	0	0	0
Others net		-25.0	-14.0	-242.0	-93.7	-93.7	-93.7	-93.7	-93.7
Cash from investing		**-$278.0**	**-$237.0**	**-$481.0**	**-$346.5**	**-$356.6**	**-$342.3**	**-$352.2**	**-$362.6**
Financing									
Dividends paid		-203	-219	-243	-262.1	-286.4	-311.3	-339.0	-369.7
Net share issuance/(repurchase)		-220	-184	-99	-250	-200	-300	-300	-300
Net issuance/(repayment) of debt		-3	9	-125	-$99.9	-$89.2	-$109.9	-$108.1	-$215.7
Others net		4.0	11.0	46.0	20.3	20.3	20.3	20.3	20.3
Cash from financing		**-$422.0**	**-$383.0**	**-$421.0**	**-$591.7**	**-$555.2**	**-$700.9**	**-$726.8**	**-$865.0**
Net change in cash		**$114.0**	**$82.0**	**$30.0**	**$28.2**	**-$12.0**	**-$9.3**	**-$48.2**	**-$32.3**
Cash at beginning of period		886.6	1291.2	855.3	$855.3	$883.5	$871.5	$862.2	$814.0
Cash at end of period		**$1,000.6**	**$1,373.2**	**$885.3**	**$883.5**	**$871.5**	**$862.2**	**$814.0**	**$781.6**
Free cash flow		**$561.0**	**$479.0**	**$693.0**	**$713.5**	**$636.9**	**$785.3**	**$772.3**	**$926.4**
FCF per share		**$4.47**	**$3.83**	**$5.61**	**$5.87**	**$5.30**	**$6.64**	**$6.62**	**$8.05**
Dividend per share		**$1.58**	**$1.75**	**$1.95**	**$2.15**	**$2.38**	**$2.63**	**$2.91**	**$3.21**
Payout ratio		***45.5%***	***59.2%***	***41.4%***	***41.4%***	***42.9%***	***42.3%***	***41.8%***	***41.5%***