



Target Price	Current Price	52wk High	52wk Low	P/E	Market Cap	Div. Yield	Beta
\$124.53	\$99.42	\$132.24	\$67.41	10.65x	\$7.37B	0.15%	1.15

Business Description:

PVH designs and markets branded apparel in more than 40 countries. Its key fashion categories include men’s dress shirts, ties, sportswear, underwear, and jeans. PVH’s leading designer brands, Calvin Klein and Tommy Hilfiger, generate more than 80% of its revenue. PVH also owns several smaller brands, including IZOD, Van Heusen, and ARROW, and licenses brands from third parties. PVH distributes its clothing wholesale to retailers and through company-owned stores.

Growth Potential:

E-Commerce

- \$1 Billion in sales through digital channels (20% growth compared to last year)
- Reducing dependence on struggling department stores by increasing branded store and e-commerce sales.

International Expansion

- Joint manufacturing venture in Ethiopia
- 50% of Tommy Hilfiger’s apparel revenue is derived from Europe, PVH is further expanding TH sales into Asia
- PVH continues to take advantage of joint ventures in distribution to support their brands globally
- Calvin Klein has large growth potential in Europe where Tommy Hilfiger is already strong

Expansion into Women’s Market

- Signed partnerships with celebrities like Gigi Haddad, Hailey Bieber, and Zendaya to penetrate market

Management:

- Manny Chirico – Chairman & CEO
- Mike Shaffer – EVP, COO, CFO
- Stefan Larsson – President

5-Year: PVH vs. S&P 500 Index



Risks:

Major Risks for PVH include the fact that they rely heavily on their two major brands (Tommy Hilfiger & Calvin Klein), and if either of these brands struggles that could significantly harm PVH overall, as Calvin Klein and Tommy Hilfiger make up over 80% of PVH’s revenue. Also, because of their growth potential in China and Europe, if there were an economic slowdown or recession this could hurt their business as well because consumers would stop purchasing luxury clothing brands.

Competitive Analysis:

PVH’s main competitors are Ralph Lauren Polo, Under Armour, and VF Corp, but we believe the international growth potential for PVH poses a very significant revenue growth opportunity compared to their competitors. The consumer discretionary clothing market is already saturated in North America, that is why growth in China as well as Europe will help grow PVH over the next 10 years. We also included the possibility of an acquisition of a third large brand for PVH in our model. If this does occur, this will also significantly help grow PVH overall.

Valuation Assumptions:

Discount Rate: 9%

Perpetuity Growth: 2.5%

Revenue Growth: ~4.6%

Implied Equity Value: \$9,626.21

Margin of Safety: ~28.54%

ESG/CSR Analysis

ESG/CSR Analysis	PVH	Peers Median
GHG/Revenue (lower is better)	14.5	92.4
Energy/Revenue (lower is better)	68.5	471.6
Water/Revenue (lower is better)	20.3	4534.8
Waste/Revenue (lower is better)	1.5	28.3

