

# ModernGraham Valuation

Company Name:

FedEx Corporation

Company Ticker FDX

Date of Analysis

11/27/2015



## 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	\$45,970,651,337	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.83	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	106.16%	Pass
6. Moderate PEmg Ratio	PEmg < 20	23.47	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.07	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	1.83	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.49	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$6.98
MG Growth Estimate	8.86%
<b>MG Value</b>	<b>\$183.07</b>
MG Value based on 3% Growth	\$101.23
MG Value based on 0% Growth	\$59.34
Market Implied Growth Rate	7.48%

### MG Opinion

Current Price	\$163.84
% of Intrinsic Value	89.50%
<b>Opinion</b>	<b>Fairly Valued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$39.37
Graham Number	\$105.49
PEmg	23.47
Current Ratio	1.83
PB Ratio	3.07
Dividend Yield	0.52%
Number of Consecutive Years of Dividend Growth	6

### 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	\$10.29	Next Fiscal Year Estimate	\$6.98
May15	\$3.65	May15	\$5.35
May14	\$7.48	May14	\$5.94
May13	\$4.91	May13	\$4.78
May12	\$6.41	May12	\$4.39
May11	\$4.57	May11	\$3.50
May10	\$3.76	May10	\$3.31
May09	\$0.31	May09	\$3.45
May08	\$3.60	May08	\$4.91
May07	\$6.48	May07	\$5.21
May06	\$5.83	May06	\$4.28
May05	\$4.72	May05	\$3.30
May04	\$2.76	May04	\$2.54
May03	\$2.74	May03	\$2.38
May02	\$2.34	May02	\$2.17
May01	\$1.99	May01	\$1.97
May00	\$2.32	May00	\$1.85
May99	\$2.10	<b>Balance Sheet Information Aug15</b>	
May98	\$1.69	Total Current Assets	\$10,703,000,000
May97	\$0.67	Total Current Liabilities	\$5,844,000,000
May96	\$1.35	Long-Term Debt	\$7,244,000,000
		Total Assets	\$37,245,000,000
		Intangible Assets	\$3,792,000,000
		Total Liabilities	\$21,962,000,000
		Shares Outstanding (Diluted Average)	286,000,000





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**

- [19 Best Stocks For Value Investors This Week – 8/29/15](#)
- [FedEx Corporation Analysis – August 2015 Update \\$FDX](#)
- [24 Companies in the Spotlight This Week – 3/28/15](#)
- [FedEx Corporation Quarterly Valuation – March 2015 \\$FDX](#)
- [15 Companies in the Spotlight This Week – 12/27/14](#)

**Other ModernGraham posts about related companies**

- [United Parcel Service Inc. Valuation – October 2015 Update \\$UPS](#)
- [Expeditors International of Washington Analysis – October 2015 Update \\$EXPD](#)
- [FedEx Corporation Analysis – August 2015 Update \\$FDX](#)
- [C.H. Robinson Worldwide Inc. Analysis – 2015 Update \\$CHRW](#)
- [Expeditors International of Washington Analysis – June 2015 Update \\$EXPD](#)
- [FedEx Corporation Quarterly Valuation – March 2015 \\$FDX](#)
- [Expeditors International of Washington Quarterly Valuation – March 2015 \\$EXPD](#)
- [Ryder System Inc. Annual Valuation – 2015 \\$R](#)
- [FedEx Corporation Quarterly Valuation – December 2014 \\$FDX](#)
- [Expeditors International of Washington Quarterly Valuation – December 2014 \\$EXPD](#)