

# ModernGraham Valuation

Company Name:

FedEx Corporation

Company Ticker FDX

Date of Analysis

7/19/2016



## 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  | \$42,907,273,907 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2  | 1.50             | 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 | 182.40%          | Pass |
| 6. Moderate PEmg Ratio                     | PEmg < 20  | 21.22            | Fail |
| 7. Moderate Price to Assets                | PB Ratio < 2.5 OR PB*PEmg < 50   | 3.23             | 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            | 1.50 | Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1              | 3.48 | 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>No</b> |

## Stage 2: Determination of Intrinsic Value

|                             |                 |
|-----------------------------|-----------------|
| EPSmg                       | \$7.53          |
| MG Growth Estimate          | 8.61%           |
| <b>MG Value</b>             | <b>\$193.58</b> |
| MG Value based on 3% Growth | \$109.14        |
| MG Value based on 0% Growth | \$63.98         |
| Market Implied Growth Rate  | 6.36%           |

### MG Opinion

|                      |                      |
|----------------------|----------------------|
| Current Price        | \$159.68             |
| % of Intrinsic Value | 82.49%               |
| <b>Opinion</b>       | <b>Fairly Valued</b> |
| <b>MG Grade</b>      | <b>D</b>             |

## Stage 3: Information for Further Research

|  |          |
|--|----------|
| Net Current Asset Value (NCAV)                 | -\$72.73 |
| Graham Number                                  | \$115.27 |
| PEmg   | 21.22    |
| Current Ratio                                  | 1.50     |
| PB Ratio                                       | 3.23     |
| Current Dividend                               | \$1.00   |
| Dividend Yield                                 | 0.63%    |
| Number of Consecutive Years of Dividend Growth | 7        |

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[Google Finance](#) [MSN Money](#)  
[Yahoo Finance](#) [Seeking Alpha](#)  
[GuruFocus](#) [SEC Filings](#)

| EPS History               |         | EPSmg History                        |                  |
|---------------------------|---------|--------------------------------------|------------------|
| Next Fiscal Year Estimate | \$11.50 | Next Fiscal Year Estimate            | \$7.53           |
| May2016                   | \$6.51  | May2016                              | \$5.58           |
| May2015                   | \$3.65  | May2015                              | \$5.16           |
| May2014                   | \$6.75  | May2014                              | \$5.70           |
| May2013                   | \$4.91  | May2013                              | \$4.78           |
| May2012                   | \$6.41  | May2012                              | \$4.39           |
| May2011                   | \$4.57  | May2011                              | \$3.50           |
| May2010                   | \$3.76  | May2010                              | \$3.31           |
| May2009                   | \$0.31  | May2009                              | \$3.45           |
| May2008                   | \$3.60  | May2008                              | \$4.91           |
| May2007                   | \$6.48  | May2007                              | \$5.21           |
| May2006                   | \$5.83  | May2006                              | \$4.28           |
| May2005                   | \$4.72  | May2005                              | \$3.30           |
| May2004                   | \$2.76  | May2004                              | \$2.54           |
| May2003                   | \$2.74  | May2003                              | \$2.38           |
| May2002                   | \$2.34  | May2002                              | \$2.17           |
| May2001                   | \$1.99  | May2001                              | \$2.03           |
| May2000                   | \$2.32  | <b>Balance Sheet Information</b>     |                  |
| May1999                   | \$2.10  | <b>5/1/2016</b>                      |                  |
| May1998                   | \$1.69  | Total Current Assets                 | \$11,989,000,000 |
| May1997                   | \$1.56  | Total Current Liabilities            | \$8,008,000,000  |
|                           |         | Long-Term Debt                       | \$13,838,000,000 |
|                           |         | Total Assets                         | \$46,064,000,000 |
|                           |         | Intangible Assets                    | \$7,755,000,000  |
|                           |         | Total Liabilities                    | \$32,280,000,000 |
|                           |         | Shares Outstanding (Diluted Average) | 279,000,000      |





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**

- [9 Best Stocks For Value Investors This Week – 11/28/15](#)
- [FedEx Corp Valuation – November 2015 Update \\$FDX](#)
- [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](#)

**Other ModernGraham posts about related companies**

- [Ryder System Inc Valuation – July 2016 \\$R](#)
- [Expeditors International of Washington Valuation – June 2016 \\$EXPD](#)
- [Expeditors International of Washington Valuation – January 2016 Update \\$EXPD](#)
- [FedEx Corp Valuation – November 2015 Update \\$FDX](#)
- [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](#)