ModernGraham Valuation

Company Name:

FedEx Corporation



Company Ticker

FDX

Date of Analysis 7/19/2016

Defensive Investor; must pass 6 out of the following 7 tests.

 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
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	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

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$7.53
MG Growth Estimate	8.61%
MG Value	\$193.58
MG Value based on 3% Growth	\$109.14
MG Value based on 0% Growth	\$63.98
Market Implied Growth Rate	6.36%
Current Price	\$159.68
% of Intrinsic Value	82.49%

Opinion Fairly Valued

MG Grade D

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

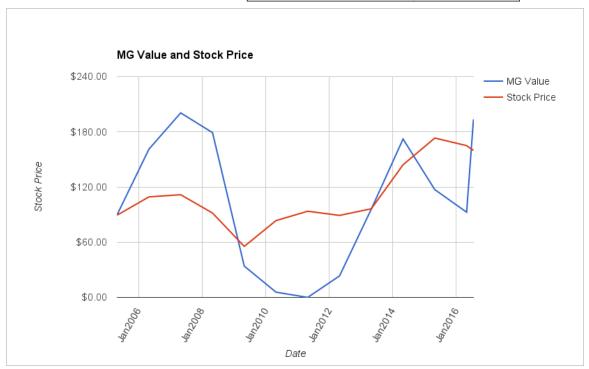
Useful Links:

ModernGraham tagged articles

Google Finance
Yahoo Finance
GuruFocus

Morningstar
MSN Money
Seeking Alpha
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	·	\$5.16
May2014	\$6.75	1	\$5.70
May2013	\$4.91	May2013	\$4.78
May2012	\$6.41	May2012	\$4.39
May2011	\$4.57	May2011	\$3.50
May2010	\$3.76	·	\$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	Balance Sheet Information	5/1/2016
May1999	\$2.10	Total Current Assets	\$11,989,000,000
May1998	\$1.69	Total Current Liabilities	\$8,008,000,000
May1997	\$1.56	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

 $\underline{\text{Expeditors International of Washington Valuation} - \text{June 2016 \$EXPD}}$

Expeditors International of Washington Valuation – January 2016 Update \$EXPD

FedEx Corp Valuation – November 2015 Update \$FDX

 $\underline{\hbox{United Parcel Service Inc. Valuation} - \hbox{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