

ModernGraham Valuation

Company Name:

Foot Locker, Inc.

Company Ticker FL

Date of Analysis

3/6/2017



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	\$10,030,652,377	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.30	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	1540.00%	Pass
6. Moderate PEmg Ratio	PEmg < 20	16.95	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.73	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	4.30	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.47
MG Growth Estimate	15.00%
MG Value	\$172.17
MG Value based on 3% Growth	\$64.84
MG Value based on 0% Growth	\$38.01
Market Implied Growth Rate	4.23%

MG Opinion

Current Price	\$75.81
% of Intrinsic Value	44.03%
Opinion	Undervalued
MG Grade	B-

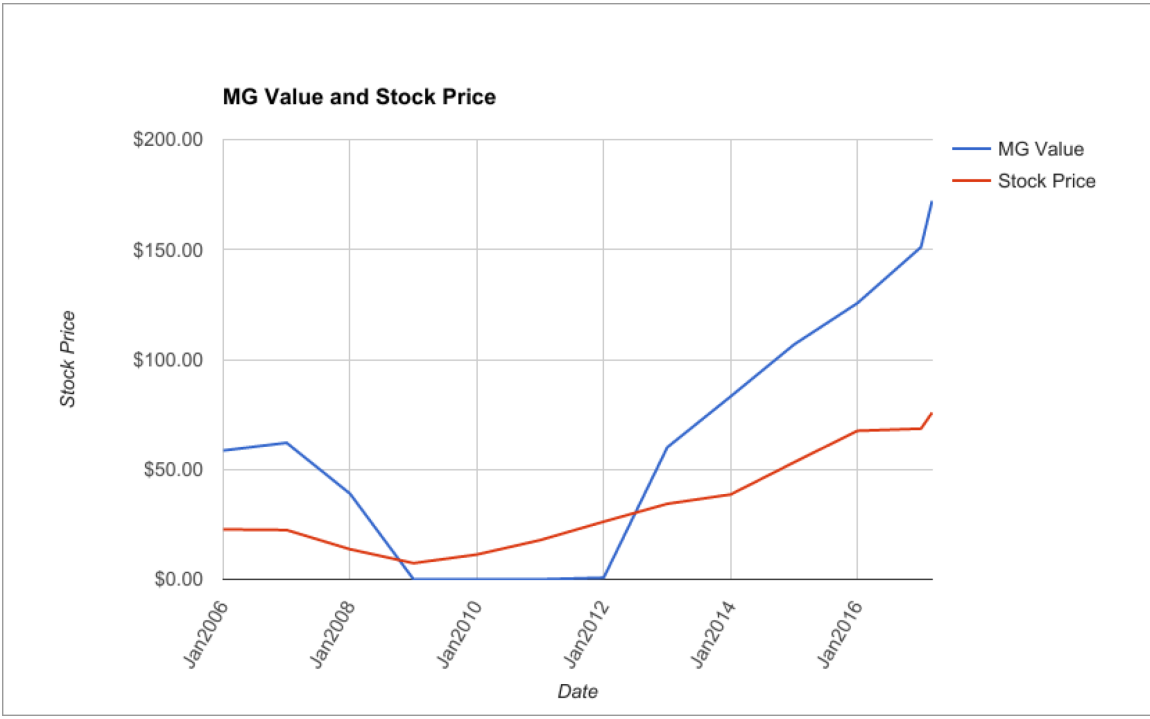
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$11.28
Graham Number	\$48.72
PEmg	16.95
Current Ratio	4.30
PB Ratio	3.73
Current Dividend	\$1.10
Dividend Yield	1.45%
Number of Consecutive Years of Dividend Growth	7

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.19	Next Fiscal Year Estimate	\$4.47
Jan2017	\$4.91	Jan2017	\$3.92
Jan2016	\$3.84	Jan2016	\$3.26
Jan2015	\$3.56	Jan2015	\$2.77
Jan2014	\$2.85	Jan2014	\$2.16
Jan2013	\$2.58	Jan2013	\$1.56
Jan2012	\$1.80	Jan2012	\$0.90
Jan2011	\$1.07	Jan2011	\$0.48
Jan2010	\$0.30	Jan2010	\$0.34
Jan2009	-\$0.52	Jan2009	\$0.57
Jan2008	\$0.29	Jan2008	\$1.20
Jan2007	\$1.60	Jan2007	\$1.61
Jan2006	\$1.68	Jan2006	\$1.52
Jan2005	\$1.88	Jan2005	\$1.18
Jan2004	\$1.39	Jan2004	\$0.67
Jan2003	\$1.05	Jan2003	\$0.17
Jan2002	\$0.64	Jan2002	-\$0.20
Jan2001	-\$1.73	Balance Sheet Information 1/1/2017	
Jan2000	\$0.43	Total Current Assets	\$2,633,000,000
Jan1999	-\$1.00	Total Current Liabilities	\$612,000,000
Jan1998	\$1.36	Long-Term Debt	\$0
		Total Assets	\$3,840,000,000
		Intangible Assets	\$0
		Total Liabilities	\$1,130,000,000
		Shares Outstanding (Diluted Average)	133,300,000





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

#N/A

Other
ModernGraham
posts about related
companies

- [Ulta Beauty Inc Valuation – Initial Coverage \\$ULTA](#)
- [Kohl's Corporation Valuation – March 2017 \\$KSS](#)
- [Stamps.com Inc Valuation – Initial Coverage \\$STMP](#)
- [Kirkland's Inc Valuation – Initial Coverage \\$KIRK](#)
- [Dollar Tree Inc Valuation – February 2017 \\$DLTR](#)
- [Staples Inc Valuation – February 2017 \\$SPLS](#)
- [Stein Mart Inc Valuation – Initial Coverage \\$SMRT](#)
- [J.C. Penney Company Inc Valuation – Initial Coverage \\$JCP](#)
- [TJX Companies Inc Valuation – December 2016 \\$TJX](#)
- [Shoe Carnival Inc Valuation – Initial Coverage \\$SCVL](#)