ModernGraham Valuation

Company Name:

FedEx Corporation



Company Ticker FDX

Date of Analysis 3/31/2018

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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$64,161,040,154 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.43 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	305.67% Pass
6. Moderate PEmg Ratio	PEmg < 20	21.70 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.47 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	1.43 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.93 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
	0	

81.93%

Score

Suitability

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$11.06
MG Growth Estimate	9.00%
MG Value	\$293.07
MG Value based on 3% Growth	\$160.41
MG Value based on 0% Growth	\$94.03
Market Implied Growth Rate	6.60%
Current Price	\$240.11

% of Intrinsic Value Opinion **Fairly Valued**

Stage 3: Information for Further Research

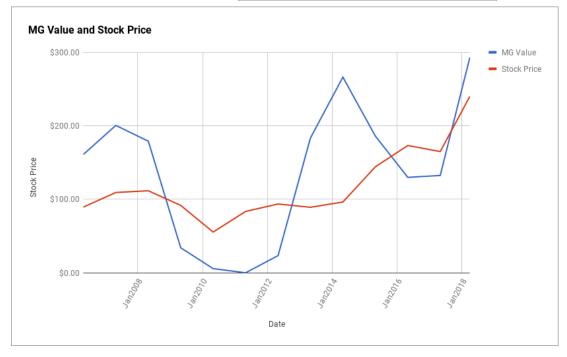
MG Grade

Net Current Asset Value (NCAV)	-\$71.00
Graham Number	\$153.46
PEmg	21.70
Current Ratio	1.43
PB Ratio	3.47
Current Dividend	\$1.60
Dividend Yield	0.67%
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	•	Next Fiscal Year Estimate	\$11.06
May2017	\$11.07	May2017	\$7.72
May2016	\$6.51	May2016	\$6.21
May2015	\$3.65	May2015	\$6.08
May2014	\$7.48	May2014	\$6.92
May2013	\$8.55	May2013	\$6.00
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	Balance Sheet Information	2/1/2018
May2000	\$2.32	Total Current Assets	\$13,575,000,000
May1999	\$2.10	Total Current Liabilities	\$9,503,000,000
May1998	\$1.69	Long-Term Debt	\$16,017,000,000
		Total Assets	\$51,851,000,000
		Intangible Assets	\$7,464,000,000
		Total Liabilities	\$32,957,000,000
		Shares Outstanding (Diluted Average)	273,000,000





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 Expeditors International of Washington Inc Valuation - March 2018 \$EXPD

TFI International Inc Valuation – Initial Coverage \$TSE:TFII
Landstar System Inc Valuation – Initial Coverage \$LSTR
Kirby Corporation Valuation – Initial Coverage \$KEX
Knight Transportation Valuation – Initial Coverage \$KNX

<u>United Parcel Service Inc Valuation – February 2017 \$UPS SPS Commerce Inc Valuation – Initial Coverage \$SPSC</u>

J B Hunt Transport Services Inc Valuation – Initial Coverage \$JBHT

<u>Celadon Group Inc Valuation – Initial Coverage \$CGI</u>
<u>Saia Inc Valuation – Initial Coverage \$SAIA</u>