

ModernGraham Valuation

Company Name:

Foot Locker, Inc.

Company Ticker FL

Date of Analysis

3/12/2018



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.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$5,250,626,208	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.14	Pass
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 beginning and end	251.10%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	11.85	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.08	Pass

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	4.14	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.66
MG Growth Estimate	4.77%
MG Value	\$65.99
MG Value based on 3% Growth	\$53.02
MG Value based on 0% Growth	\$31.08
Market Implied Growth Rate	1.67%

MG Opinion

Current Price	\$43.32
% of Intrinsic Value	65.65%
Opinion	Undervalued
MG Grade	B+

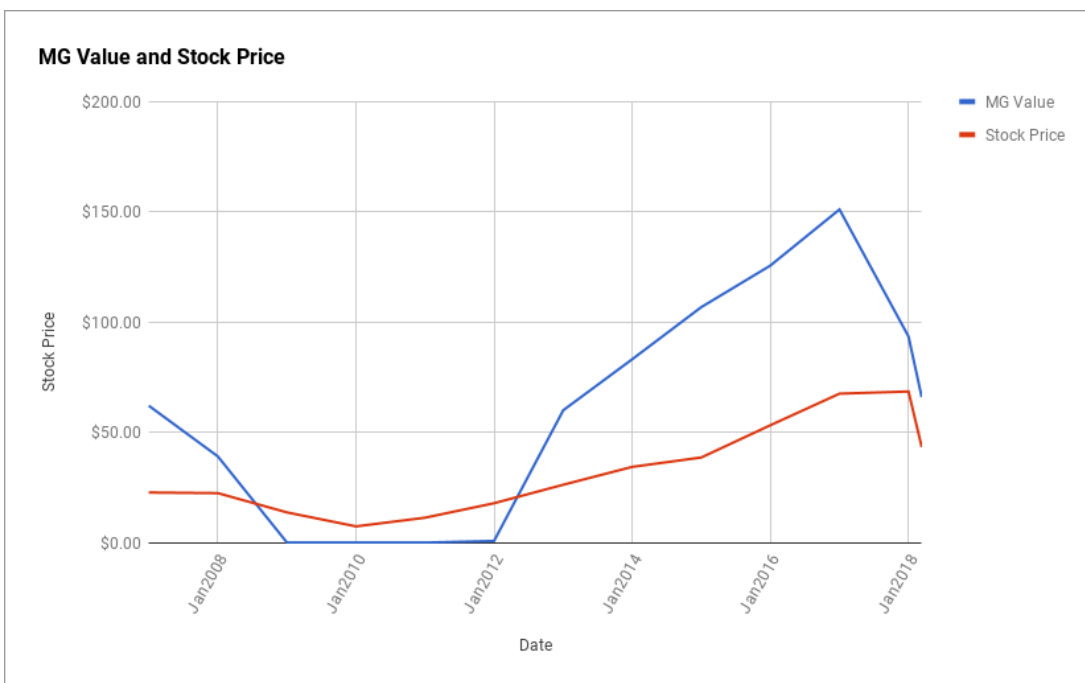
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$9.15
Graham Number	\$42.10
PEmg	11.85
Current Ratio	4.14
PB Ratio	2.08
Current Dividend	\$1.24
Dividend Yield	2.86%
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	\$4.00	Next Fiscal Year Estimate	\$3.66
Jan2018	\$2.22	Jan2018	\$3.48
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	\$0.16
Jan2002	\$0.64	Balance Sheet Information 1/1/2018	
Jan2001	-\$1.74	Total Current Assets	\$2,551,000,000
Jan2000	\$0.43	Total Current Liabilities	\$616,000,000
Jan1999	-\$1.00	Long-Term Debt	\$0
		Total Assets	\$3,961,000,000
		Intangible Assets	\$0
		Total Liabilities	\$1,442,000,000
		Shares Outstanding (Diluted Average)	121,206,000





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

- [Best Stocks Below Their Graham Number – August 2017](#)
- [10 Undervalued Stocks for the Enterprising Investor – August 2017](#)
- [10 Undervalued Stocks for the Enterprising Investor – July 2017](#)
- [6 Best Stocks for Value Investors This Week – 3/11/17](#)
- [Foot Locker Inc Valuation – Initial Coverage \\$FL](#)

Other ModernGraham posts about related companies

- [Under Armour Inc Valuation – March 2018 \\$UA](#)
- [Hanesbrands Inc Valuation – March 2018 \\$HBI](#)
- [L Brands Inc Valuation – March 2018 \\$LB](#)
- [Nike Inc Valuation – February 2018 \\$NKE](#)
- [Nike Inc Valuation – July 2017 \\$NKE](#)
- [Deckers Outdoor Corp Valuation – Initial Coverage \\$DECK](#)
- [Ralph Lauren Corp Valuation – April 2017 \\$RL](#)
- [Abercrombie & Fitch Co Valuation – March 2017 \\$ANF](#)
- [Crocs Inc Valuation – Initial Coverage \\$CROX](#)
- [Stage Stores Inc Valuation – Initial Coverage \\$SSI](#)