

# ModernGraham Valuation

Company Name:

Delta Air Lines, Inc.

Company Ticker DAL

Date of Analysis

1/22/2019



## 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	\$32,258,373,426	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.35	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	476.21%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	8.28	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.35	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	0.35	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-0.67	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
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.68
MG Growth Estimate	2.86%
<b>MG Value</b>	<b>\$80.81</b>
MG Value based on 3% Growth	\$82.35
MG Value based on 0% Growth	\$48.27
Market Implied Growth Rate	-0.11%

### MG Opinion

Current Price	\$47.04
% of Intrinsic Value	58.21%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

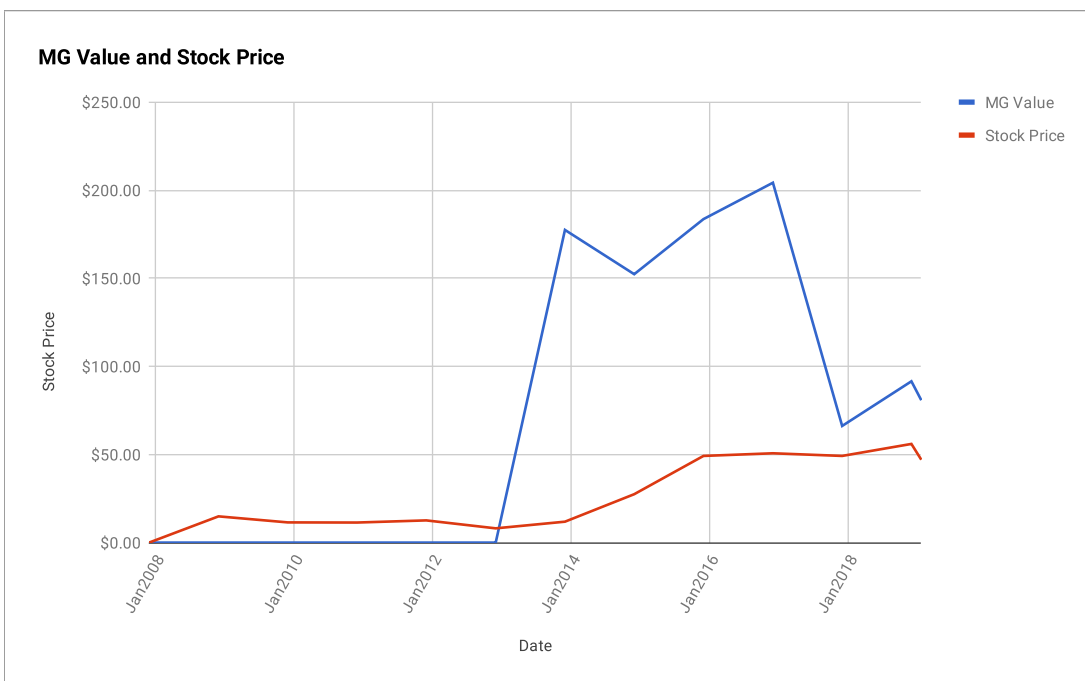
Net Current Asset Value (NCAV)	-\$58.71
Graham Number	\$52.28
PEmg	8.28
Current Ratio	0.35
PB Ratio	2.35
Current Dividend	\$1.31
Dividend Yield	2.78%
Number of Consecutive Years of Dividend Growth	6

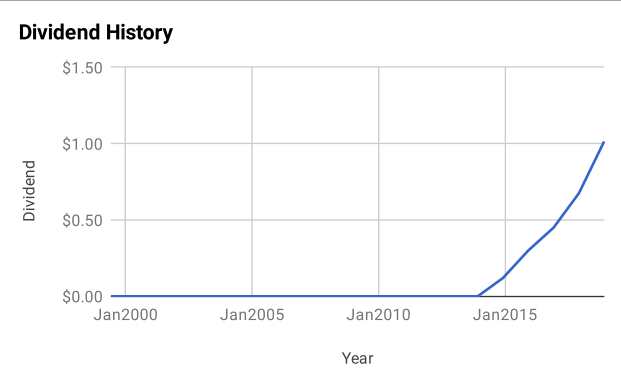
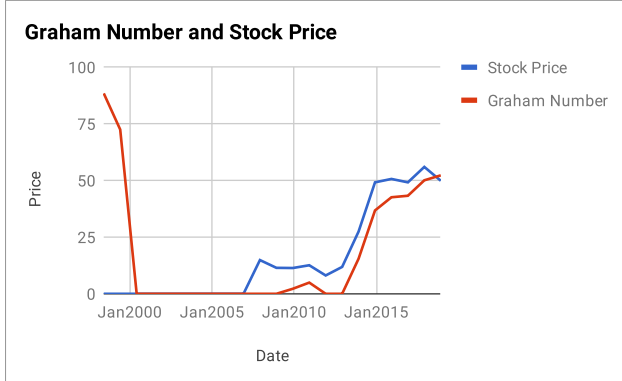
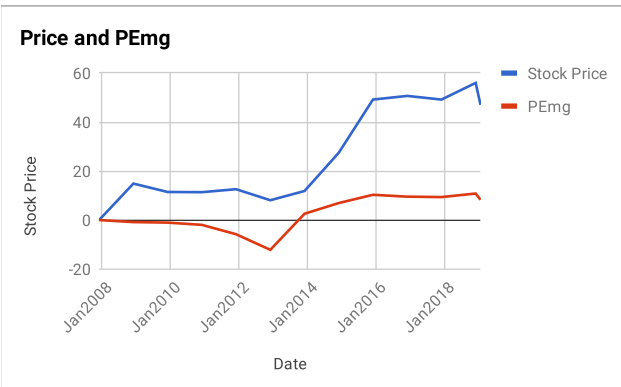
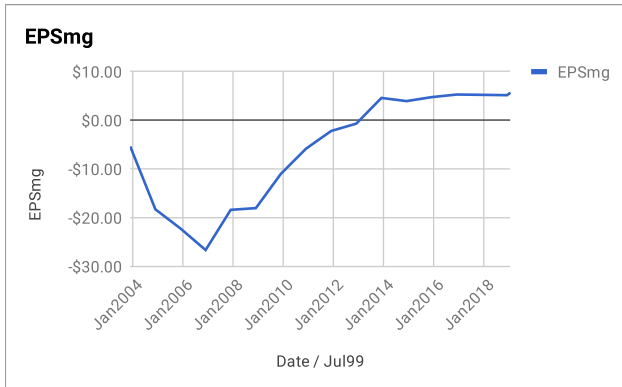
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.09	Next Fiscal Year Estimate	\$5.68
Dec2018	\$5.67	Dec2018	\$5.17
Dec2017	\$4.95	Dec2017	\$5.24
Dec2016	\$5.79	Dec2016	\$5.31
Dec2015	\$5.63	Dec2015	\$4.77
Dec2014	\$0.78	Dec2014	\$3.96
Dec2013	\$12.29	Dec2013	\$4.61
Dec2012	\$1.19	Dec2012	-\$0.67
Dec2011	\$1.01	Dec2011	-\$2.18
Dec2010	\$0.70	Dec2010	-\$5.81
Dec2009	-\$1.50	Dec2009	-\$10.96
Dec2008	-\$19.08	Dec2008	-\$18.02
Dec2007	\$2.11	Dec2007	-\$18.37
Dec2006	-\$31.58	Dec2006	-\$26.62
Dec2005	-\$23.75	Dec2005	-\$22.21
Dec2004	-\$41.07	Dec2004	-\$18.27
Dec2003	-\$6.40	Dec2003	-\$5.35
Dec2002	-\$10.44	<b>Balance Sheet Information 12/1/2018</b>	
Dec2001	-\$9.99	Total Current Assets	\$6,495,000,000
Jun2000	\$8.15	Total Current Liabilities	\$18,754,000,000
Jun1999	\$7.20	Long-Term Debt	\$8,270,000,000
		Total Assets	\$60,270,000,000
		Intangible Assets	\$14,610,000,000
		Total Liabilities	\$46,593,000,000
		Shares Outstanding (Diluted Average)	683,000,000





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  
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posts about the  
company

- [Delta Air Lines Inc Valuation – March 2018 \\$DAL](#)
- [Delta Air Lines Inc Valuation – July 2016 \\$DAL](#)
- [40 Companies in the Spotlight This Week – 2/21/15](#)
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- [American Airlines Group Inc Valuation – May 2018 \\$AAL](#)
- [Southwest Airlines Co Valuation – May 2018 \\$LUV](#)
- [Alaska Air Group Inc Valuation – May 2018 \\$ALK](#)
- [Delta Air Lines Inc Valuation – March 2018 \\$DAL](#)
- [United Continental Holdings Inc Valuation – Initial Coverage \\$UAL](#)
- [American Airlines Group Inc Valuation – February 2017 \\$AAL](#)
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