

ModernGraham Valuation

Company Name:

FedEx Corporation

Company Ticker FDX

Date of Analysis

1/31/2019



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	\$46,434,507,994	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.42	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 beginning and end	186.36%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	14.13	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.45	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	1.42	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.16	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

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$12.59
MG Growth Estimate	15.00%
MG Value	\$484.56
MG Value based on 3% Growth	\$182.50
MG Value based on 0% Growth	\$106.98
Market Implied Growth Rate	2.82%

MG Opinion

Current Price	\$177.88
% of Intrinsic Value	36.71%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

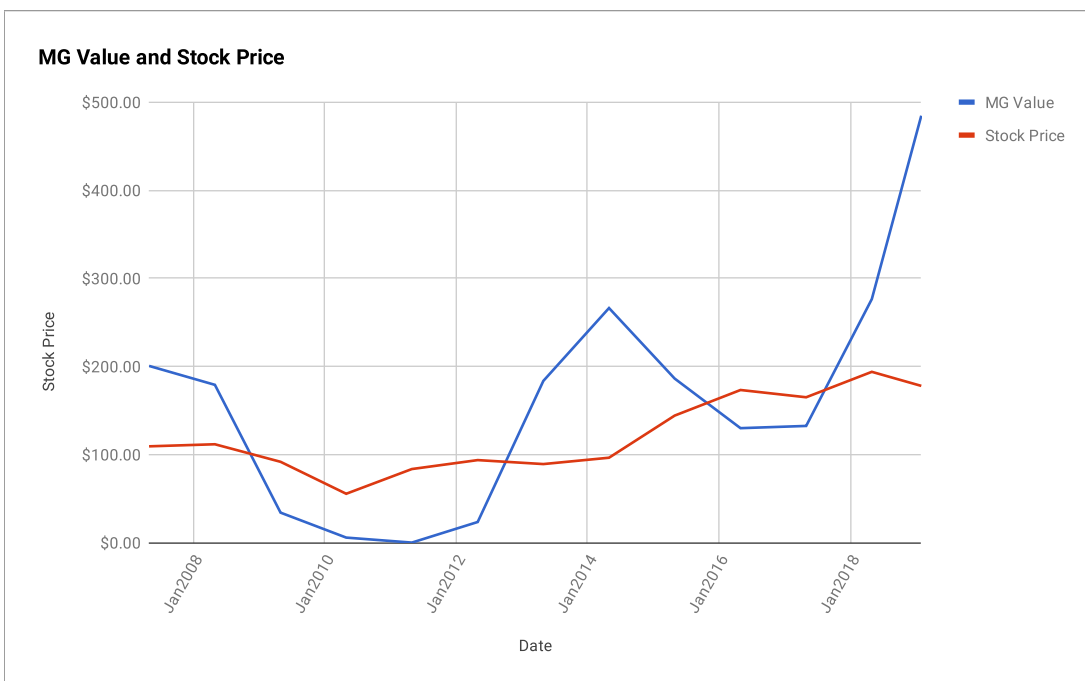
Net Current Asset Value (NCAV)	-\$77.28
Graham Number	\$153.54
PEmg	14.13
Current Ratio	1.42
PB Ratio	2.45
Current Dividend	\$2.00
Dividend Yield	1.12%
Number of Consecutive Years of Dividend Growth	8

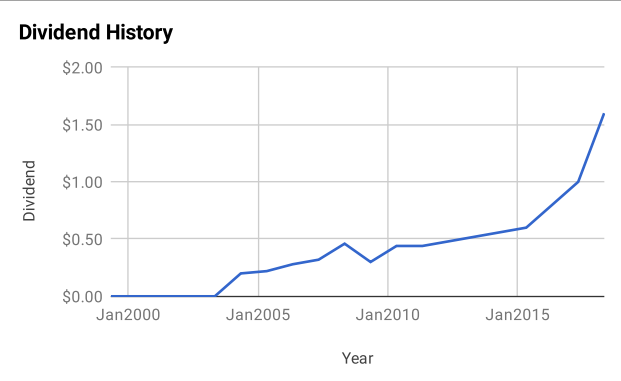
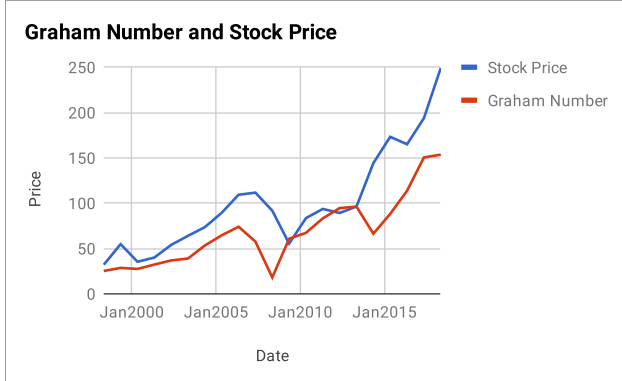
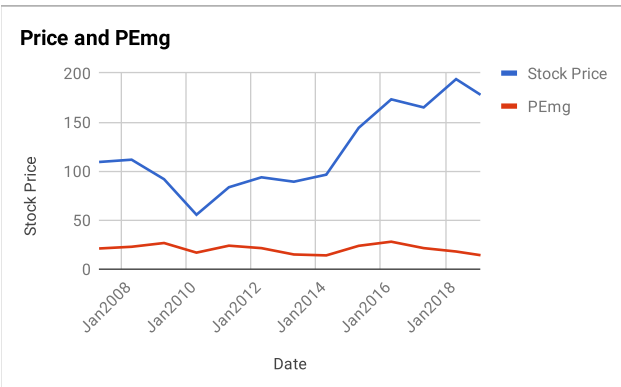
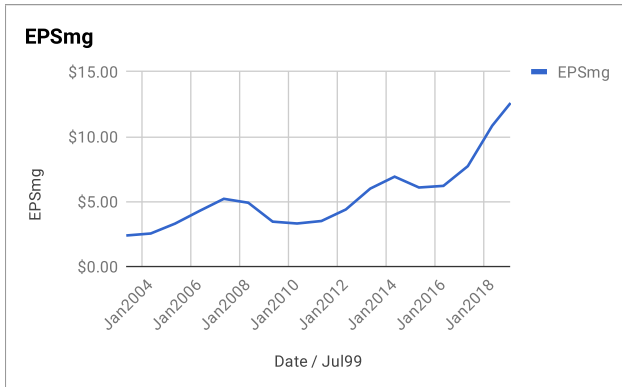
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$14.35	Next Fiscal Year Estimate	\$12.59
May2018	\$16.79	May2018	\$10.84
May2017	\$11.07	May2017	\$7.72
May2016	\$6.51	May2016	\$6.21
May2015	\$3.65	May2015	\$6.08
May2014	\$7.48	May2014	\$6.92
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	Balance Sheet Information 11/1/2018	
May2001	\$1.99	Total Current Assets	\$13,438,000,000
May2000	\$2.32	Total Current Liabilities	\$9,496,000,000
May1999	\$2.10	Long-Term Debt	\$16,399,000,000
		Total Assets	\$53,289,000,000
		Intangible Assets	\$6,908,000,000
		Total Liabilities	\$33,995,000,000
		Shares Outstanding (Diluted Average)	266,000,000





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

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- [FedEx Corp Valuation – July 2016 \\$FDX](#)
- [9 Best Stocks For Value Investors This Week – 11/28/15](#)
- [FedEx Corp Valuation – November 2015 Update \\$FDX](#)
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- [JB Hunt Transport Services Inc Valuation – May 2018 \\$JBHT](#)
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