

ModernGraham Valuation

Company Name:

Foot Locker, Inc.

Company Ticker FL

Date of Analysis

1/11/2019



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	\$6,378,285,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.42	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	269.09%	Pass
5. Earnings Growth	PEmg < 20	14.69	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.65	Pass
7. Moderate Price to Assets			

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	3.42	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.07	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 Score		Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.85
MG Growth Estimate	5.80%
MG Value	\$77.32
MG Value based on 3% Growth	\$55.78
MG Value based on 0% Growth	\$32.70
Market Implied Growth Rate	3.09%

MG Opinion

Current Price	\$56.50
% of Intrinsic Value	73.07%
Opinion	Undervalued
MG Grade	B+

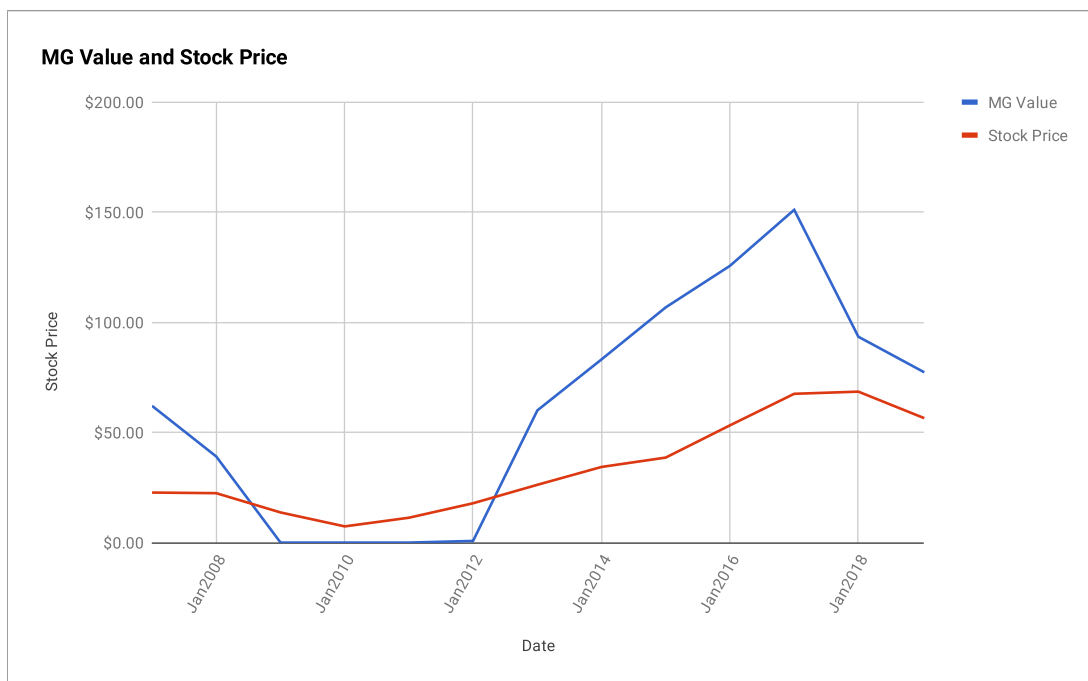
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$9.99
Graham Number	\$46.49
PEmg	14.69
Current Ratio	3.42
PB Ratio	2.65
Current Dividend	\$1.24
Dividend Yield	2.19%
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	
Jan2018	\$4.57	Jan2018	\$3.85
Jan2017	\$2.22	Jan2017	\$3.48
Jan2016	\$4.91	Jan2016	\$3.92
Jan2015	\$3.84	Jan2015	\$3.26
Jan2014	\$3.56	Jan2014	\$2.77
Jan2013	\$2.85	Jan2013	\$2.16
Jan2012	\$2.58	Jan2012	\$1.56
Jan2011	\$1.80	Jan2011	\$0.90
Jan2010	\$1.07	Jan2010	\$0.48
Jan2009	\$0.30	Jan2009	\$0.34
Jan2008	-\$0.52	Jan2008	\$0.57
Jan2007	\$0.29	Jan2007	\$1.20
Jan2006	\$1.60	Jan2006	\$1.61
Jan2005	\$1.68	Jan2006	\$1.52
Jan2004	\$1.88	Jan2005	\$1.18
Jan2003	\$1.39	Jan2004	\$0.67
Jan2002	\$1.05	Jan2003	\$0.16
Jan2001	\$0.64	Balance Sheet Information 10/1/2018	
Jan2000	-\$1.74	Total Current Assets	\$2,378,000,000
Jan2000	\$0.43	Total Current Liabilities	\$695,000,000
Jan1999	-\$1.00	Long-Term Debt	\$124,000,000
		Total Assets	\$3,680,000,000
		Intangible Assets	\$196,000,000
		Total Liabilities	\$1,229,000,000
		Shares Outstanding (Diluted Average)	115,000,000





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:

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ModernGraham
posts about the
company

[10 Low PE Stock Picks for the Defensive Investor – March 2018](#)
[Foot Locker Inc Valuation – March 2018 \\$FL](#)
[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](#)

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[Nike Inc Valuation – November 2018 \\$NKE](#)
[Deckers Outdoor Corp Valuation – May 2018 \\$DECK](#)
[Ralph Lauren Corp Valuation – May 2018 \\$RL](#)
[Abercrombie & Fitch Co Valuation – May 2018 \\$ANF](#)
[Steven Madden Ltd Valuation – May 2018 \\$SHOO](#)
[Stage Stores Inc Valuation – May 2018 \\$SSI](#)
[American Eagle Outfitters Inc Valuation – May 2018 \\$AEO](#)