

ModernGraham Valuation

Company Name:

Xerox Corp

Company Ticker XRX

Date of Analysis

1/18/2019



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	\$5,597,258,219	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.82	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-92.69%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	28.28	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.10	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	1.82	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.16	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.83
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$12.04
MG Value based on 0% Growth	\$7.06
Market Implied Growth Rate	9.89%

MG Opinion

Current Price	\$23.49
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	C

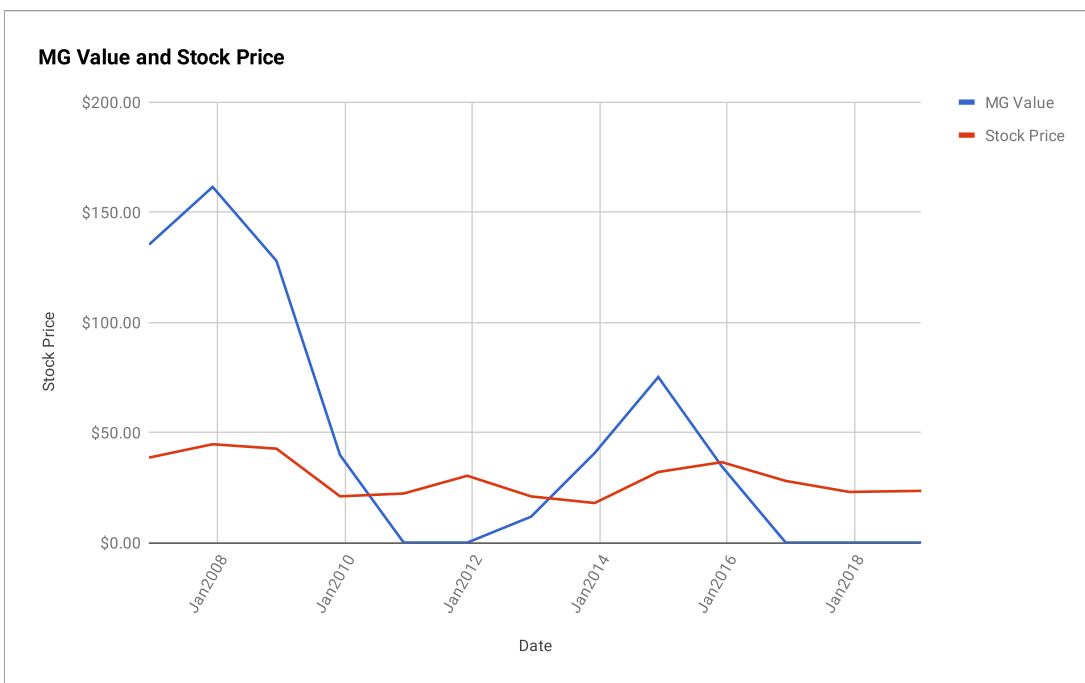
Stage 3: Information for Further Research

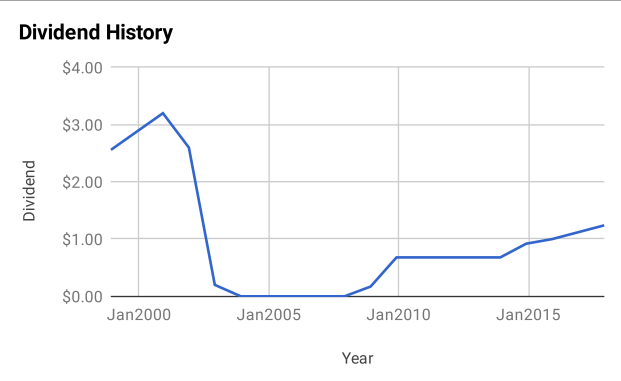
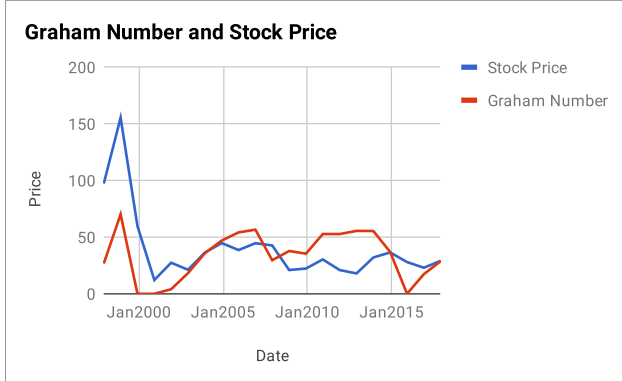
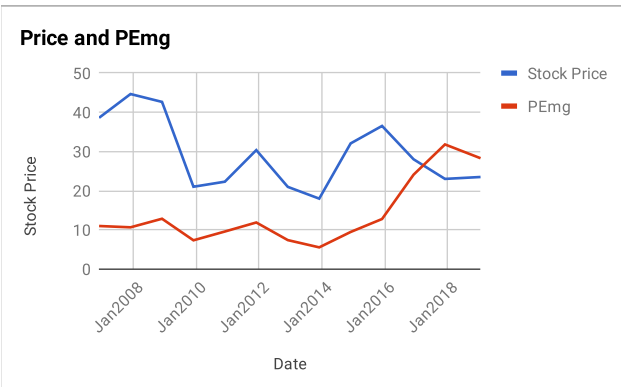
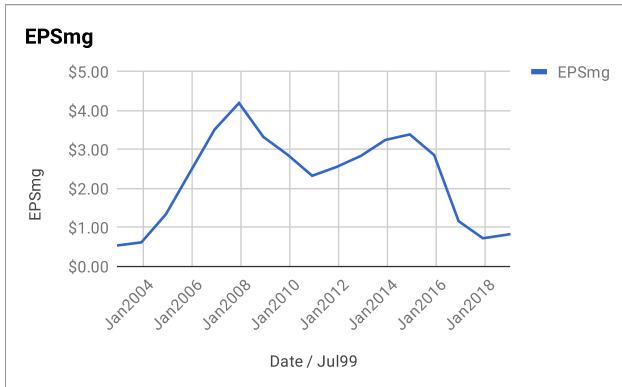
Net Current Asset Value (NCAV)	-\$19.47
Graham Number	\$28.83
PEmg	28.28
Current Ratio	1.82
PB Ratio	1.10
Current Dividend	\$0.81
Dividend Yield	3.46%
Number of Consecutive Years of Dividend Growth	0

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	\$1.79	Next Fiscal Year Estimate	\$0.83
Dec2017	\$0.71	Dec2017	\$0.72
Dec2016	-\$1.95	Dec2016	\$1.16
Dec2015	\$1.58	Dec2015	\$2.86
Dec2014	\$3.36	Dec2014	\$3.39
Dec2013	\$3.64	Dec2013	\$3.25
Dec2012	\$3.52	Dec2012	\$2.84
Dec2011	\$3.60	Dec2011	\$2.55
Dec2010	\$1.72	Dec2010	\$2.33
Dec2009	\$2.20	Dec2009	\$2.86
Dec2008	\$1.04	Dec2008	\$3.32
Dec2007	\$4.76	Dec2007	\$4.19
Dec2006	\$4.88	Dec2006	\$3.51
Dec2005	\$3.76	Dec2005	\$2.43
Dec2004	\$3.44	Dec2004	\$1.34
Dec2003	\$1.44	Dec2003	\$0.62
Dec2002	\$0.08	Dec2002	\$0.54
Dec2001	-\$0.60	Balance Sheet Information 9/1/2018	
Dec2000	-\$1.92	Total Current Assets	\$4,970,000,000
Dec1999	\$7.40	Total Current Liabilities	\$2,736,000,000
Dec1998	\$1.04	Long-Term Debt	\$4,815,000,000
		Total Assets	\$15,353,000,000
		Intangible Assets	\$4,131,000,000
		Total Liabilities	\$9,917,000,000
		Shares Outstanding (Diluted Average)	254,053,000





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**
- [Xerox Corp Valuation – March 2018 \\$XRX](#)
 - [Xerox Corp Valuation – June 2016 \\$XRX](#)
 - [58 Companies in the Spotlight This Week – 1/31/15](#)
 - [Xerox Corporation Annual Valuation – 2015 \\$XRX](#)
 - [14 Companies in the Spotlight This Week – 1/4/14](#)

- Other ModernGraham posts about related companies**
- [International Business Machines Corp Valuation – November 2018 \\$IBM](#)
 - [DXC Technology Corp Valuation – November 2018 \\$DXC](#)
 - [Sykes Enterprises Inc Valuation – October 2018 \\$SYKE](#)
 - [Computer Programs and Systems Inc Valuation – August 2018 \\$CPSI](#)
 - [Science Applications International Corp Valuation – July 2018 \\$SAIC](#)
 - [Acxiom Corp Valuation – July 2018 \\$ACXM](#)
 - [Infosys Ltd Valuation – June 2018 \\$INFY](#)
 - [Verisign Inc Valuation – May 2018 \\$VRSN](#)
 - [Motorola Solutions Inc Valuation – May 2018 \\$MSI](#)
 - [Leidos Holdings Inc Valuation – April 2018 \\$LDOS](#)