

ModernGraham Valuation

United Parcel Service,
Inc.



Company Name:

Company Ticker UPS

Date of Analysis

3/10/2019

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	\$74,248,106.732	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.15	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	130.38%	Pass
6. Moderate PEmg Ratio	PEmg < 20	18.08	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	30.56	Fail

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	1.15	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	9.20	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.90
MG Growth Estimate	7.42%
MG Value	\$137.71
MG Value based on 3% Growth	\$85.54
MG Value based on 0% Growth	\$50.14
Market Implied Growth Rate	4.79%

MG Opinion

Current Price	\$106.68
% of Intrinsic Value	77.47%
Opinion	Fairly Valued
MG Grade	C-

Stage 3: Information for Further Research

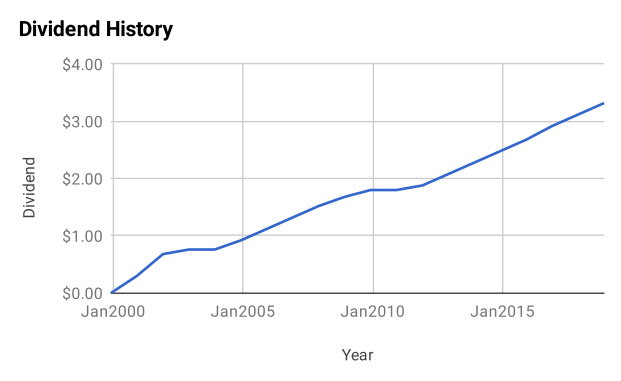
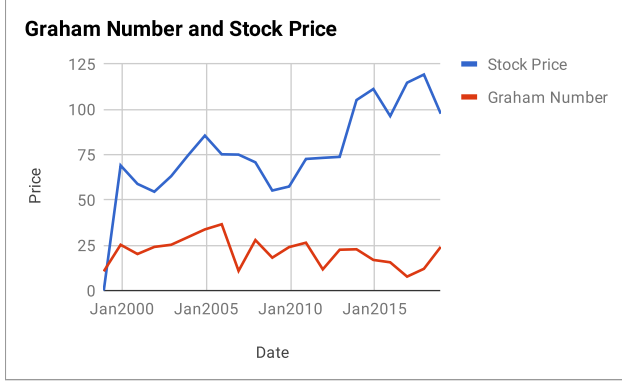
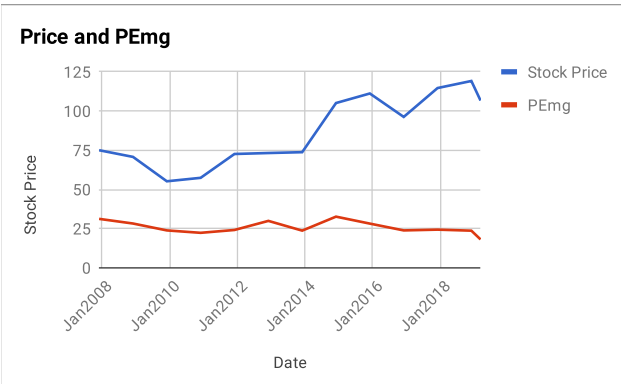
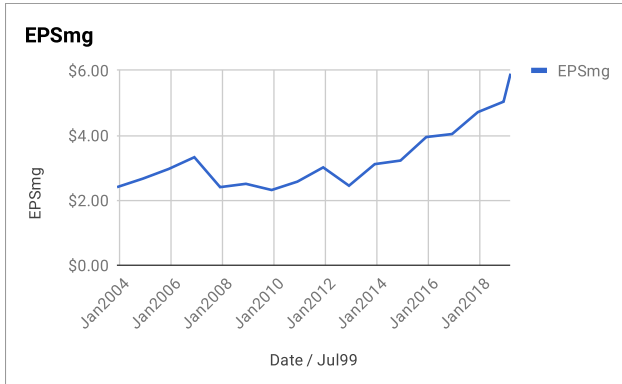
Net Current Asset Value (NCAV)	-\$35.37
Graham Number	\$24.06
PEmg	18.08
Current Ratio	1.15
PB Ratio	30.56
Current Dividend	\$3.64
Dividend Yield	3.41%
Number of Consecutive Years of Dividend Growth	9

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		\$7.31	Next Fiscal Year Estimate		\$5.90
Dec2018		\$5.51	Dec2018		\$5.04
Dec2017		\$5.61	Dec2017		\$4.71
Dec2016		\$3.86	Dec2016		\$4.04
Dec2015		\$5.35	Dec2015		\$3.95
Dec2014		\$3.28	Dec2014		\$3.22
Dec2013		\$4.61	Dec2013		\$3.11
Dec2012		\$0.83	Dec2012		\$2.45
Dec2011		\$3.84	Dec2011		\$3.01
Dec2010		\$3.33	Dec2010		\$2.57
Dec2009		\$2.14	Dec2009		\$2.32
Dec2008		\$2.94	Dec2008		\$2.51
Dec2007		\$0.36	Dec2007		\$2.40
Dec2006		\$3.86	Dec2006		\$3.33
Dec2005		\$3.47	Dec2005		\$2.96
Dec2004		\$2.93	Dec2004		\$2.67
Dec2003		\$2.55	Dec2003		\$2.40
Dec2002		\$2.81	Balance Sheet Information 12/1/2018		
Dec2001		\$2.10	Total Current Assets		\$16,210,000,000
Dec2000		\$2.50	Total Current Liabilities		\$14,087,000,000
Dec1999		\$0.77	Long-Term Debt		\$19,537,000,000
			Total Assets		\$50,016,000,000
			Intangible Assets		\$5,887,000,000
			Total Liabilities		\$46,979,000,000
			Shares Outstanding (Diluted Average)		870,000,000





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**
- [United Parcel Service Inc Valuation – May 2018 \\$UPS](#)
 - [United Parcel Service Inc Valuation – February 2017 \\$UPS](#)
 - [United Parcel Service Inc. Valuation – October 2015 Update \\$UPS](#)
 - [27 Companies in the Spotlight This Week – 11/8/14](#)
 - [United Parcel Service Inc. Annual Valuation – 2014 \\$UPS](#)

- Other ModernGraham posts about related companies**
- [JB Hunt Transport Services Inc Valuation – February 2019 \\$JBHT](#)
 - [C.H. Robinson Worldwide Inc Valuation – February 2019 \\$CHRW](#)
 - [FedEx Corporation Valuation – January 2019 \\$FDX](#)
 - [Expeditors International of Washington Inc Valuation – January 2019 \\$EXPD](#)
 - [Kirby Corp Valuation – September 2018 \\$KEX](#)
 - [Knight-Swift Transportation Holdings Inc Valuation – August 2018 \\$KNX](#)
 - [Saia Inc Valuation – July 2018 \\$SAIA](#)
 - [Ryder System Inc Valuation – June 2018 \\$R](#)
 - [United Parcel Service Inc Valuation – May 2018 \\$UPS](#)
 - [JB Hunt Transport Services Inc Valuation – May 2018 \\$JBHT](#)