Fox Corp. (FOXA)

Updated March 7th, 2026 by Felix Martinez

Key Metrics

Current Price:	$60	**5 Year Annual Expected Total Return:**	6.1%	**Market Cap:**	$27.7B
Fair Value Price:	$61	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	03/04/26
% Fair Value:	98%	**5 Year Valuation Multiple Estimate:**	0.3%	**Dividend Payment Date:**	03/25/26
Dividend Yield:	0.9%	**5 Year Price Target**	$77	**Years Of Dividend Growth:**	5
Dividend Risk Score:	C	**Sector:**	Communication Services	**Rating:**	Hold

Overview & Current Events

Fox Corp. is a television broadcasting company with a $27.7 billion market cap. The company, known among insiders as "New Fox," was spun off from the former 21st Century Fox when The Walt Disney Co. (DIS) acquired most of its assets in 2019, including its cinema entertainment business. Since the spinoff, Fox Corp. has been a much more focused company, with its operations centered on Cable Networks & Television. For Fiscal Year 2025, the company generated $16.3 billion in revenue.

On February 4th, 2026, Fox Corp. reported second quarter results for Fiscal Year 2026. The company fiscal year ends at the end of July. The company reported modest revenue growth for the second quarter of fiscal 2026, with total revenues of $5.18 billion, up 2% from the prior-year period. Distribution revenues rose 4%, driven by growth in the Cable Network Programming segment, while advertising revenues increased 1%, supported by higher pricing for sports and news, digital expansion via Tubi AVOD, and additional MLB postseason games, partially offset by lower political ad spend and ratings declines. Content and other revenues remained largely unchanged, reflecting stable performance across entertainment and licensing streams.

Despite revenue gains, net income declined to $247 million from $388 million a year earlier, with net income attributable to Fox stockholders at $229 million, or $0.52 per share, compared to $373 million, or $0.81 per share, in the prior-year quarter. Adjusted net income was $360 million, or $0.82 per share, and adjusted EBITDA totaled $692 million, down from $781 million, primarily due to higher sports programming rights amortization, production costs, and increased digital marketing, partially offset by savings in entertainment programming costs. Segment performance varied: Cable Network Programming saw revenues rise 5% with EBITDA up 5%, while the Television segment's revenues were flat and EBITDA declined due to higher content-related expenses.

Fox maintained a strong capital return program, declaring a $0.28 per share dividend and repurchasing approximately $1.55 billion of Class A and B stock during the quarter, with $3.6 billion of buyback authorization remaining. The company ended the quarter with $2.02 billion in cash and $21.47 billion in total assets, reflecting reduced liquidity from stock repurchases. CEO Lachlan Murdoch highlighted that the company's broad portfolio across news, sports, streaming, and entertainment continues to deliver operational momentum, driven by differentiated strategy and execution, even as expenses and macro factors pressured near-term profitability.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	---	---	---	$2.63	$2.48	$2.88	$2.79	$3.51	$3.43	$4.78	***$4.67***	***$5.96***
DPS	---	---	---	$0.23	$0.46	$0.46	$0.48	$0.50	$0.52	$0.54	***$0.56***	***$0.65***
Shares[1]	---	---	---	621.0	621.0	621.0	621.0	531.0	480.0	480.0	***480.0***	***480.0***

Fox Corp. is a more focused company following the asset sale. Fox News, Fox Business, Fox Sports, Fox Broadcasting, and other TV assets will remain highly relevant. It helps that Fox News has no mainstream competition in the conservative news arena. The assets that Fox retained are not very cyclical or vulnerable to recessions, compared to, for example, the

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

more cyclical filmed entertainment business. However, we expect a positive, but slower earnings growth of 5% for the next five years. Because of the recent dividend increase, we are now anticipating a 3% annual dividend increase for the next five years.

Currently, Fox's most significant growth prospects are with FOX Bet. Analysts expect the sports betting industry to generate $9 billion in gambling revenue over the next few years. Fox Corp. is in an excellent position to grab a chunk of that. In the immediate term, Fox should see growth as more and more events and businesses start to be fully operational, bringing improved ratings for its news network.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	---	---	---	14.4	16.4	12.9	11.8	9.7	10	11.7	***12.8***	***13.00***
Avg. Yld.	---	---	---	0.6%	1.7%	1.3%	1.5%	1.5%	1.5%	11.0%	***0.9%***	***0.8%***

We think that a 13x valuation is fair for this company. Currently, the company is trading at a PE multiple of 12.8x. This PE provides a moderate valuation multiple tailwind of 0.3%. Also, the company's current stock price is slightly lower than our fair price of $61. The company dividend yield is fairly mediocre, considering that the S&P 500 current dividend yield is 1.2%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	9%	19%	16%	17%	14%	15%	11%	***12%***	***11%***

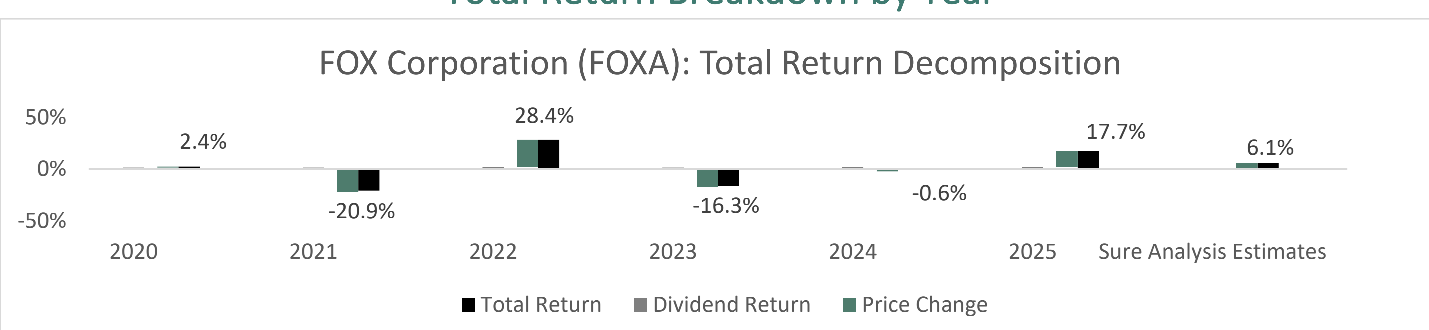
21st Century Fox paid out ~20% of its net profits in the form of dividends throughout most of the last decade. The payout ratio has been even lower during some of the previous years. Fox Corp. paid 16% of its profits in 2021, with an estimated 2029 payout conservatively around 15%. The low payout ratio means that the dividend looks very safe, although the low dividend yield is not especially attractive for income-focused investors.

According to peers, Fox Corp's most influential position has always been in its news channels and sports programming – assets The Company continues to own after the deal with Disney. The sale of some assets could improve Fox's position in the long run, as it allows The Company to focus on the businesses it is best at, Cable & TV broadcasting. The TV business is not very cyclical, so Fox Corp. will likely be less vulnerable in future recessions. The company currently has a debt-to-equity ratio of 0.7 and an Interest Coverage ratio of 7.3. Thus, the company has an excellent balance sheet.

Final Thoughts & Recommendation

Based on our estimates, shares are currently fairly valued, but we estimate the following five-year projected returns to be only 6.1%. Thus, we rate FOXA a hold at the current price because of the expected return over the next five years.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	8,894	9,921	10,153	11,389	12,303	12,909	13,974	14,910	13980	16300
SG&A Exp.	1,191	1,117	1,262	1,419	1,741	1,807	1,920	2,049	2024	5397
Operating Profit	170	169	171	212	258	300	2,574	2,764	2478	3229
Op. Margin	1.9%	1.7%	1.7%	1.9%	2.1%	2.3%	18.4%	18.5%	17.7%	19.8%
Net Profit	1,974	2,535	2,215	2,431	2,497	2,765	1,205	1,239	1501	2293
Net Margin	22.2%	25.6%	21.8%	21.3%	20.3%	21.4%	8.6%	8.3%	10.7%	14.1%
Free Cash Flow	1,072	1,372	2,187	1,595	999	2,150	1,577	1,443	1495	2993
Income Tax	990	1,464	1,102	2,289	2,006	2,155		483	550	768

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets		10,348	13,121	19,509	21,750	22,926	22,185	21,870	21970	23200
Cash & Equivalents		19	2,500	3,234	4,645	5,886	5,200	4,272	4319	5351
Acc. Receivable		1,693	1,833	1,967	1,888	2,029	2,128	2,177	2364	2472
Inventories		1,052	1,180	1,129	856	729	791	543	626	432
Goodwill & Int.		5,871	5,613	5,542	6,607	6,589	6,711	6,643	6582	6608
Total Liabilities		4,255	3,527	9,551	11,639	11,801	10,810	11,210	10920	10840
Long-Term Debt		0	0	6,751	7,946	7,951	7,206	7,210	7197	7465
Total Equity		6,093	9,594	9,947	10,094	11,123	11,339	10,380	10710	11960
LTD/E Ratio		0	0	0.68	0.79	0.71	0.64	0.69	0.67	0.62

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets			18.6%	9.8%	4.8%	9.6%	5.3%	5.6%	6.9%	10.2%
Return on Equity			27.9%	16.3%	10.0%	20.3%	10.7%	11.4%	13.8%	19.6%
ROIC			27.9%	12.1%	5.7%	11.6%	6.4%	6.8%	8.3%	11.8%
Shares Out.				621.0	621.0	621.0	570	531	480	461
Revenue/Share	14.35	16.00	16.38	18.34	19.97	21.70	24.52	28.08	29.12	35.36
FCF/Share	1.60	2.36	1.78	3.69	3.26	3.62	2.77	2.72	3.12	6.49

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.