ModernGraham Valuation

Company Name:

Valero Energy Corporation



1.42 Pass

Company Ticker VLO
Date of Analysis

10/20/2015

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.

5. Earnings Growth

6. Moderate PEmg Ratio

7. Moderate Price to Assets

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$29,826,941,328 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.87 Fail
Earnings Stability	Positive EPS for 10 years prior	Fail
Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10	

rincrease of 33% in EPS in past 10
years using 3 year averages at
beginning and end 25.59% Fail
PEmg < 20 9.91 Pass

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.87 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.83 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	Pass

PB Ratio < 2.5 OR PB*PEmg < 50

Suitability

Defensive No Enterprising Yes

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Stage 2: Determination of Intrinsic Value

EPSmg	\$6.06
MG Growth Estimate	15.00%
MG Value	\$233.16
MG Value based on 3% Growth	\$87.81
MG Value based on 0% Growth	\$51.48
Market Implied Growth Rate	0.71%

MG Opinion

Current Price \$60.02
% of Intrinsic Value 25.74%

Opinion Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.07
Graham Number	\$84.94
PEmg	9.91
Current Ratio	1.87
PB Ratio	1.42
Dividend Yield	2.25%
Number of Consecutive Years of Dividend Growth	5

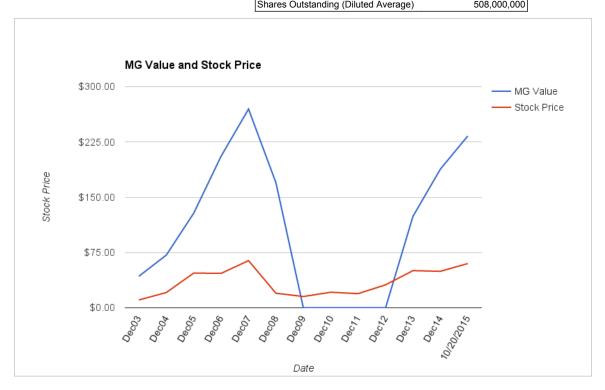
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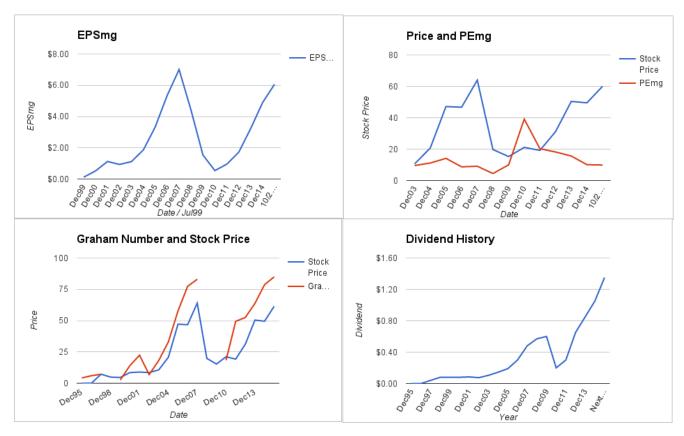
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	,
Next Fiscal Year Estimate	\$7.47	Next Fiscal Year Estimate	\$6.06
Dec14	\$6.85	Dec14	\$4.89
Dec13	\$4.97	Dec13	\$3.22
Dec12	\$3.75	Dec12	\$1.71
Dec11	\$3.68	Dec11	\$0.95
Dec10	\$0.57	Dec10	\$0.54
Dec09	-\$3.67	Dec09	\$1.54
Dec08	-\$2.16	Dec08	\$4.41
Dec07	\$8.88	Dec07	\$7.00
Dec06	\$8.64	Dec06	\$5.34
Dec05	\$6.10	Dec05	\$3.33
Dec04	\$3.27	Dec04	\$1.86
Dec03	\$1.27	Dec03	\$1.11
Dec02	\$0.21	Dec02	\$0.93
Dec01	\$2.21	Dec01	\$1.12
Dec00	\$1.40	Dec00	\$0.52
Dec99	\$0.06	Dec99	\$0.12
Dec98	-\$0.21	Balance Sheet Information	Jun15
Dec97	\$0.44	Total Current Assets	\$18,492,000,000
Dec96	\$0.35	Total Current Liabilities	\$9,865,000,000
Dec95	\$0.28	Long-Term Debt	\$7,199,000,000
		Total Assets	\$47,599,000,000
		Intangible Assets	\$0
		Total Liabilities	\$26,146,000,000
		Shares Outstanding (Diluted Average)	508,000,000





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.

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