

ModernGraham Valuation

Company Name:

Nucor Corporation

Company Ticker NUE

Date of Analysis

2/4/2016



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	\$12,558,769,232	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.15	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-55.21%	Fail
6. Moderate PEmg Ratio	PEmg < 20	28.12	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.74	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	4.15	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.00	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		Fail

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.43
MG Growth Estimate	-1.07%
MG Value	\$9.09
MG Value based on 3% Growth	\$20.71
MG Value based on 0% Growth	\$12.14
Market Implied Growth Rate	9.81%

MG Opinion

Current Price	\$40.15
% of Intrinsic Value	441.63%
Opinion	Overvalued

Stage 3: Information for Further Research

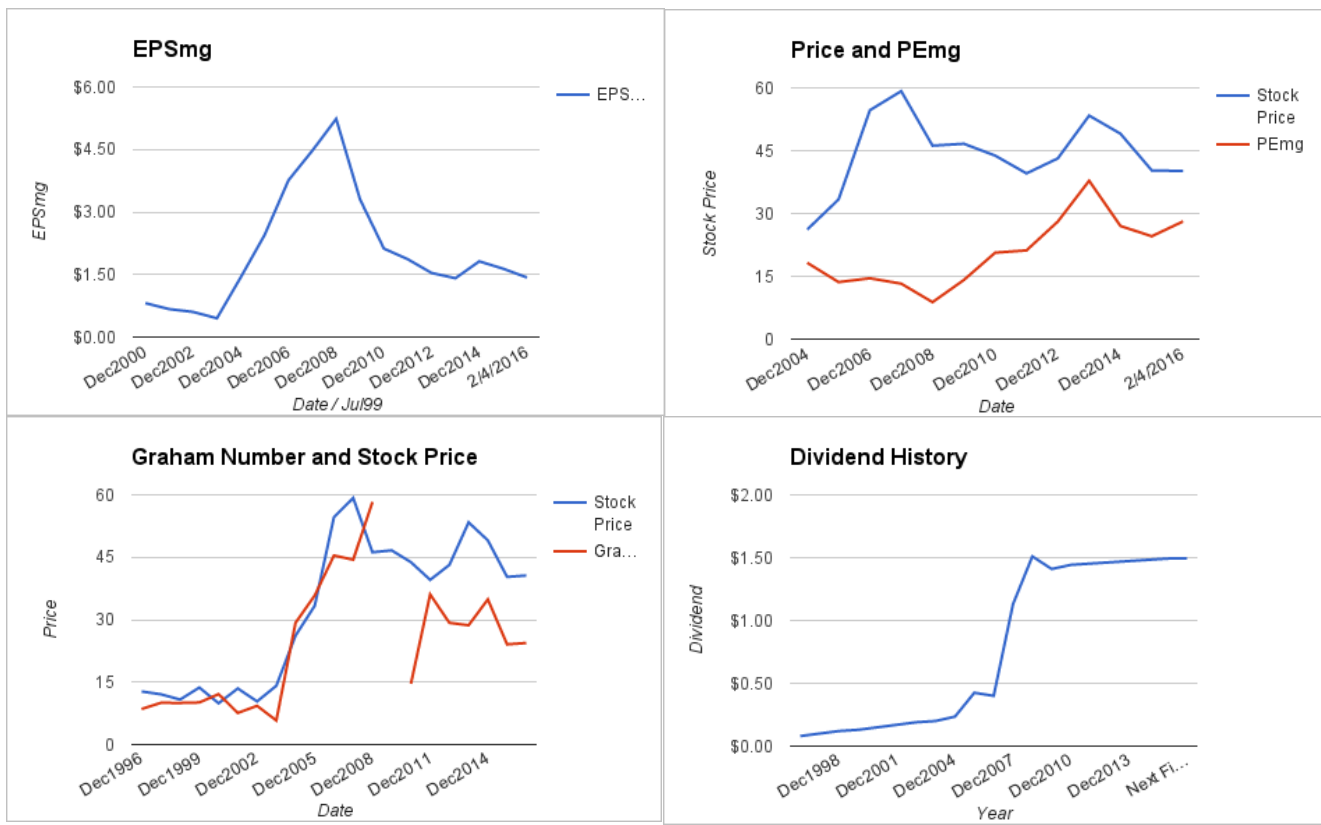
Net Current Asset Value (NCAV)	-\$3.37
Graham Number	\$24.40
PEmg	28.12
Current Ratio	4.15
PB Ratio	1.74
Dividend Yield	3.72%
Number of Consecutive Years of Dividend Growth	7

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	\$1.14	Next Fiscal Year Estimate	\$1.43
Dec2015	\$1.11	Dec2015	\$1.64
Dec2014	\$2.22	Dec2014	\$1.82
Dec2013	\$1.52	Dec2013	\$1.41
Dec2012	\$1.58	Dec2012	\$1.54
Dec2011	\$2.45	Dec2011	\$1.87
Dec2010	\$0.42	Dec2010	\$2.12
Dec2009	-\$0.94	Dec2009	\$3.30
Dec2008	\$5.98	Dec2008	\$5.23
Dec2007	\$4.94	Dec2007	\$4.47
Dec2006	\$5.68	Dec2006	\$3.76
Dec2005	\$4.15	Dec2005	\$2.45
Dec2004	\$3.50	Dec2004	\$1.44
Dec2003	\$0.20	Dec2003	\$0.45
Dec2002	\$0.52	Dec2002	\$0.60
Dec2001	\$0.36	Dec2001	\$0.67
Dec2000	\$0.95	Dec2000	\$0.81
Dec1999	\$0.70	Balance Sheet Information Dec2015	
Dec1998	\$0.75	Total Current Assets	\$5,754,380,000
Dec1997	\$0.84	Total Current Liabilities	\$1,385,173,000
Dec1996	\$0.71	Long-Term Debt	\$4,360,600,000
		Total Assets	\$14,250,399,000
		Intangible Assets	\$2,781,950,000
		Total Liabilities	\$6,833,521,000
		Shares Outstanding (Diluted Average)	320,687,000





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

- [Nucor Corporation Analysis – September 2015 Update \\$NUE](#)
- [Nucor Corporation Analysis – June 2015 Update \\$NUE](#)
- [23 Companies in the Spotlight This Week – 3/9/15](#)
- [Nucor Corporation Quarterly Valuation – March 2015 \\$NUE](#)
- [32 Companies in the Spotlight This Week – 12/6/14](#)

Other ModernGraham posts about related companies

- [Allegheny Technologies Inc. Valuation – November 2015 Update \\$ATI](#)
- [Nucor Corporation Analysis – September 2015 Update \\$NUE](#)
- [Cliffs Natural Resources Inc. Analysis – August 2015 Update \\$CLF](#)
- [Nucor Corporation Analysis – June 2015 Update \\$NUE](#)
- [Nucor Corporation Quarterly Valuation – March 2015 \\$NUE](#)
- [United States Steel Corporation Annual Valuation – 2015 \\$X](#)
- [Nucor Corporation Quarterly Valuation – December 2014 \\$NUE](#)
- [Allegheny Technologies Inc. Annual Valuation – 2014 \\$ATI](#)
- [Cliffs Natural Resources Inc. Annual Valuation – 2014 \\$CLF](#)