ModernGraham Valuation

Company Name:

Company Ticker VMC Date of Analysis Vulcan Materials Company



Pass

7/20/2016

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. Adequa	ate Size of the Enterprise	Market Cap > \$2Bil	\$16,662,971,390 Pass
2. Sufficie	ently Strong Financial Condition	Current Ratio > 2	2.83 Pass
3. Earning	gs Stability	Positive EPS for 10 years prior	Fail
4. Divider	nd Record	Dividend Payments for 10 years prior	Pass
5. Earnin	gs Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	36.21% Pass
6. Modera	ate PEmg Ratio	PEmg < 20	68.20 Fail
7. Modera	ate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.84 Fail
Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.			
1. Sufficie	ently Strong Financial Condition	Current Ratio > 1.5	2.83 Pass
2. Sufficie	ently Strong Financial Condition	Debt to NCA < 1.1	3.04 Fail
3. Earning	gs Stability	Positive EPS for 5 years prior	Fail
4. Divider	nd Record	Currently Pays Dividend	Pass

EPSmg greater than 5 years ago

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

5. Earnings Growth

	EPSmg		\$1.84
	MG Growth Estimate		15.00%
	MG Value		\$70.84
	MG Value based on 3% Growth		\$26.68
	MG Value based on 0% Growth		\$15.64
	Market Implied Growth Rate		29.85%
MG Opinion			
	Current Price		\$125.49
	% of Intrinsic Value		177.15%
	Opinion	Overvalued	
	MG Grade	F	

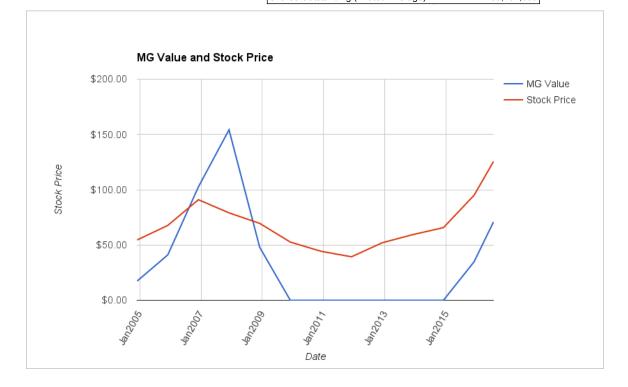
Stage 3: Information for Further Research

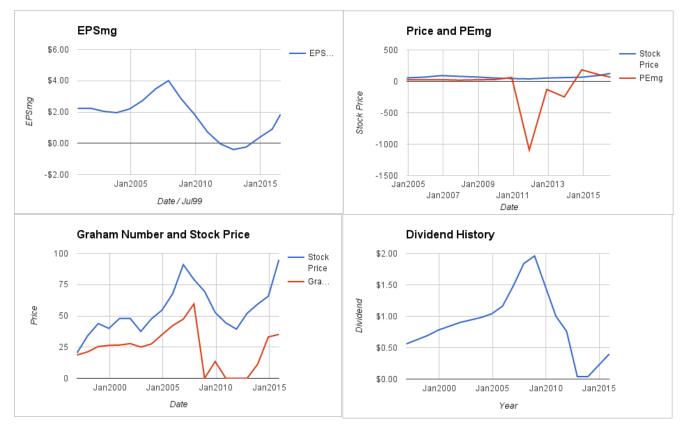
Net Current Asset Value (NCAV)	-\$20.81
Graham Number	\$49.54
PEmg	68.20
Current Ratio	2.83
PB Ratio	3.84
Current Dividend	\$0.50
Dividend Yield	0.40%
Number of Consecutive Years of Dividend Growth	3

Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.29	Next Fiscal Year Estimate	\$1.8
Dec2015	\$1.64	Dec2015	\$0.9
Dec2014	\$1.54	Dec2014	\$0.3
Dec2013	\$0.19	Dec2013	-\$0.2
Dec2012	-\$0.41	Dec2012	-\$0.4
Dec2011	-\$0.55	Dec2011	-\$0.0
Dec2010	-\$0.75	Dec2010	\$0.7
Dec2009	\$0.25	Dec2009	\$1.8
Dec2008	-\$0.04	Dec2008	\$2.8
Dec2007	\$4.54	Dec2007	\$4.0
Dec2006	\$4.69	Dec2006	\$3.4
Dec2005	\$3.73	Dec2005	\$2.7
Dec2004	\$2.77	Dec2004	\$2.2
Dec2003	\$1.90	Dec2003	\$1.9
Dec2002	\$1.66	Dec2002	\$2.0
Dec2001	\$2.17	Dec2001	\$2.2
Dec2000	\$2.16	Dec2000	\$2.2
Dec1999	\$2.35	Balance Sheet Information	3/1/201
Dec1998	\$2.50	Total Current Assets	\$1,007,503,00
Dec1997	\$2.03	Total Current Liabilities	\$356,485,00
Dec1996	\$1.79	Long-Term Debt	\$1,981,425,00
		Total Assets	\$8,247,025,00
		Intangible Assets	\$3,848,196,00
		Total Liabilities	\$3,825,972,00
		Shares Outstanding (Diluted Average)	135,452,00





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	5 Speculative and Overvalued Companies to Avoid – June 2015	
	30 Companies in the Spotlight This Week – 5/23/15	
	Vulcan Materials Company Annual Valuation – 2015 \$VMC	
	17 Companies in the Spotlight This Week – 5/10/14	
	Vulcan Materials Company (VMC) Annual Valuation – 2014	
Other ModernGraham posts about related companies	PulteGroup Inc Valuation – July 2016 \$PHM	
	Sherwin-Williams Co Valuation – July 2016 \$SHW	
	Cummins Inc Valuation – July 2016 \$CMI	
	Corning Inc Valuation – May 2016 \$GLW	
	Flowserve Corporation Valuation – May 2016 \$FLS	
	Lennar Corporation Valuation – May 2016 \$LEN	
	Quanta Services Inc Valuation – February 2016 \$PWR	
	Martin Marietta Materials Inc Valuation – February 2016 Update \$MLM	
	Fluor Corp Valuation – February 2016 Update \$FLR	

Jacobs Engineering Group Inc Valuation – January 2016 Update \$JEC