

ModernGraham Valuation

Company Name:

Nucor Corporation

Company Ticker

NUE

Date of Analysis

8/7/2016



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	\$17,104,934,705	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.38	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	-43.99%	Fail
6. Moderate PEmg Ratio	PEmg < 20	29.73	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.26	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	3.38	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.94	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

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.80
MG Growth Estimate	2.58%
MG Value	\$24.59
MG Value based on 3% Growth	\$26.12
MG Value based on 0% Growth	\$15.31
Market Implied Growth Rate	10.61%

MG Opinion

Current Price	\$53.55
% of Intrinsic Value	217.76%
Opinion	Overvalued
MG Grade	C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.54
Graham Number	\$34.80
PEmg	29.73
Current Ratio	3.38
PB Ratio	2.26
Current Dividend	\$1.50
Dividend Yield	2.80%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.26	Next Fiscal Year Estimate	\$1.80
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	\$4.13	Dec2005	\$2.45
Dec2004	\$3.51	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 6/1/2016	
Dec1998	\$0.75	Total Current Assets	\$6,538,498,000
Dec1997	\$0.84	Total Current Liabilities	\$1,936,108,000
Dec1996	\$0.71	Long-Term Debt	\$4,337,561,000
		Total Assets	\$14,924,583,000
		Intangible Assets	\$2,771,339,000
		Total Liabilities	\$7,350,820,000
		Shares Outstanding (Diluted Average)	319,578,000





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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[Nucor Corporation Analysis – September 2015 Update \\$NUE](#)
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<http://www.moderngraham.com/2015/06/08/nucor-corporation-analysis-june-2015-update-nue/>

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