ModernGraham Valuation

Company Name:

Company Ticker CMC Date of Analysis

Enterprisir

Suitability

Commercial Metals Company





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.

	 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$2,283,218,139	Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.58	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	411.76%	Pass
	6. Moderate PEmg Ratio	PEmg < 20	32.35	
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.79	Pass
ing Investor; n	nust pass 4 out of the following 5 tests, or be s	uitable for the Defensive Investor.		
	1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.58	Pass
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.64	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
		Score		
ty				
	Defensive	No		
	Enterprising	Yes		

Stage 2: Determination of Intrinsic Value

	EPSmg		\$0.63
	MG Growth Estimate		15.00%
	MG Value		\$24.26
	MG Value based on 3% Growth		\$9.14
	MG Value based on 0% Growth		\$5.36
	Market Implied Growth Rate		11.92%
MG Opinion			
	Current Price		\$20.38
	% of Intrinsic Value		84.02%
	Opinion	Fairly Valued	
	MG Grade	В-	

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.06
Graham Number	\$12.47
PEmg	32.35
Current Ratio	2.58
PB Ratio	1.79
Current Dividend	\$0.48
Dividend Yield	2.36%
Number of Consecutive Years of Dividend Growth	

 Useful Links:
 ModernGraham tagged articles
 Morningstar

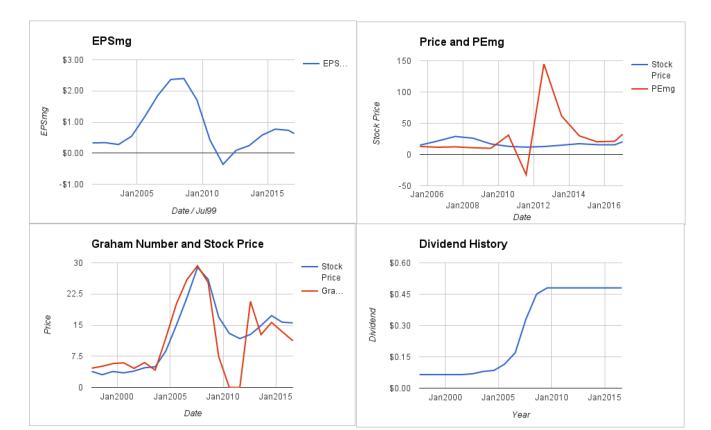
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$0.60	Next Fiscal Year Estimate	\$0.63
Aug2016	\$0.47	Aug2016	\$0.73
Aug2015	\$0.67	Aug2015	\$0.77
Aug2014	\$0.95	Aug2014	\$0.58
Aug2013	\$0.66	Aug2013	\$0.24
Aug2012	\$1.78	Aug2012	\$0.09
Aug2011	-\$1.12	Aug2011	-\$0.36
Aug2010	-\$1.81	Aug2010	\$0.42
Aug2009	\$0.18	Aug2009	\$1.7
Aug2008	\$1.97	Aug2008	\$2.4
Aug2007	\$2.92	Aug2007	\$2.3
Aug2006	\$2.89	Aug2006	\$1.8
Aug2005	\$2.32	Aug2005	\$1.1
Aug2004	\$1.11	Aug2004	\$0.5
Aug2003	\$0.17	Aug2003	\$0.2
Aug2002	\$0.36	Aug2002	\$0.3
Aug2001	\$0.23	Aug2001	\$0.3
Aug2000	\$0.39	Balance Sheet Information	11/1/201
Aug1999	\$0.40	Total Current Assets	\$1,912,670,000
Aug1998	\$0.35	Total Current Liabilities	\$740,451,00
Aug1997	\$0.32	Long-Term Debt	\$755,161,000
		Total Assets	\$3,002,580,000
		Intangible Assets	\$66,114,000
		Total Liabilities	\$1,672,647,00
		Shares Outstanding (Diluted Average)	116,605,000





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 #N/A

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