

ModernGraham Valuation

Vulcan Materials
Company



Company Name:

Company Ticker VMC

Date of Analysis

4/1/2018

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	\$15,110,179,709	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.66	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
5. Earnings Growth		-1191.43%	Fail
6. Moderate PEmg Ratio	PEmg < 20	33.27	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.10	Fail

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	2.66	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.82	Fail
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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.43
MG Growth Estimate	15.00%
MG Value	\$132.13
MG Value based on 3% Growth	\$49.76
MG Value based on 0% Growth	\$29.17
Market Implied Growth Rate	12.38%

MG Opinion

Current Price	\$114.17
% of Intrinsic Value	86.41%
Opinion	Fairly Valued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$24.87
Graham Number	\$57.49
PEmg	33.27
Current Ratio	2.66
PB Ratio	3.10
Current Dividend	\$1.00
Dividend Yield	0.88%
Number of Consecutive Years of Dividend Growth	4

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	\$3.91	Next Fiscal Year Estimate	\$3.43
Dec2017	\$4.46	Dec2017	\$2.86
Dec2016	\$3.09	Dec2016	\$1.77
Dec2015	\$1.64	Dec2015	\$0.90
Dec2014	\$1.54	Dec2014	\$0.36
Dec2013	\$0.19	Dec2013	-\$0.24
Dec2012	-\$0.41	Dec2012	-\$0.40
Dec2011	-\$0.55	Dec2011	-\$0.03
Dec2010	-\$0.75	Dec2010	\$0.74
Dec2009	\$0.25	Dec2009	\$1.87
Dec2008	\$0.01	Dec2008	\$2.84
Dec2007	\$4.54	Dec2007	\$4.01
Dec2006	\$4.71	Dec2006	\$3.49
Dec2005	\$3.74	Dec2005	\$2.73
Dec2004	\$2.77	Dec2004	\$2.20
Dec2003	\$1.90	Dec2003	\$1.95
Dec2002	\$1.66	Dec2002	\$2.04
Dec2001	\$2.17	Balance Sheet Information 12/1/2017	
Dec2000	\$2.16	Total Current Assets	\$1,180,101,000
Dec1999	\$2.35	Total Current Liabilities	\$442,872,000
Dec1998	\$2.50	Long-Term Debt	\$2,813,482,000
		Total Assets	\$9,504,891,000
		Intangible Assets	\$4,185,951,000
		Total Liabilities	\$4,535,998,000
		Shares Outstanding (Diluted Average)	134,953,000





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

- [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

- [Cummins Inc Valuation – March 2018 \\$CMI](#)
- [Johnson Controls International PLC Valuation – March 2018 \\$JCI](#)
- [Flowserve Corp Valuation – February 2018 \\$FLS](#)
- [Corning Inc Valuation – February 2018 \\$GLW](#)
- [Home Depot Inc Valuation – February 2018 \\$HD](#)
- [Caterpillar Inc Valuation – February 2018 \\$CAT](#)
- [Eagle Materials Inc Valuation – Initial Coverage \\$EXP](#)
- [Louisiana-Pacific Corp Valuation – Initial Coverage \\$LPX](#)
- [Lowe's Companies Inc Valuation – March 2017 \\$LOW](#)
- [Cavco Industries Inc Valuation – Initial Coverage \\$CVCO](#)