

ModernGraham Valuation

Company Name:

Nucor Corporation

Company Ticker NUE

Date of Analysis

5/2/2018



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	\$19,400,392,946	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.49	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	520.73%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	17.12	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.18	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	2.49	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.77	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		

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.56
MG Growth Estimate	15.00%
MG Value	\$137.19
MG Value based on 3% Growth	\$51.67
MG Value based on 0% Growth	\$30.29
Market Implied Growth Rate	4.31%

MG Opinion

Current Price	\$60.99
% of Intrinsic Value	44.46%
Opinion	Undervalued
MG Grade	B+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$0.21
Graham Number	\$57.79
PEmg	17.12
Current Ratio	2.49
PB Ratio	2.18
Current Dividend	\$1.51
Dividend Yield	2.48%
Number of Consecutive Years of Dividend Growth	8

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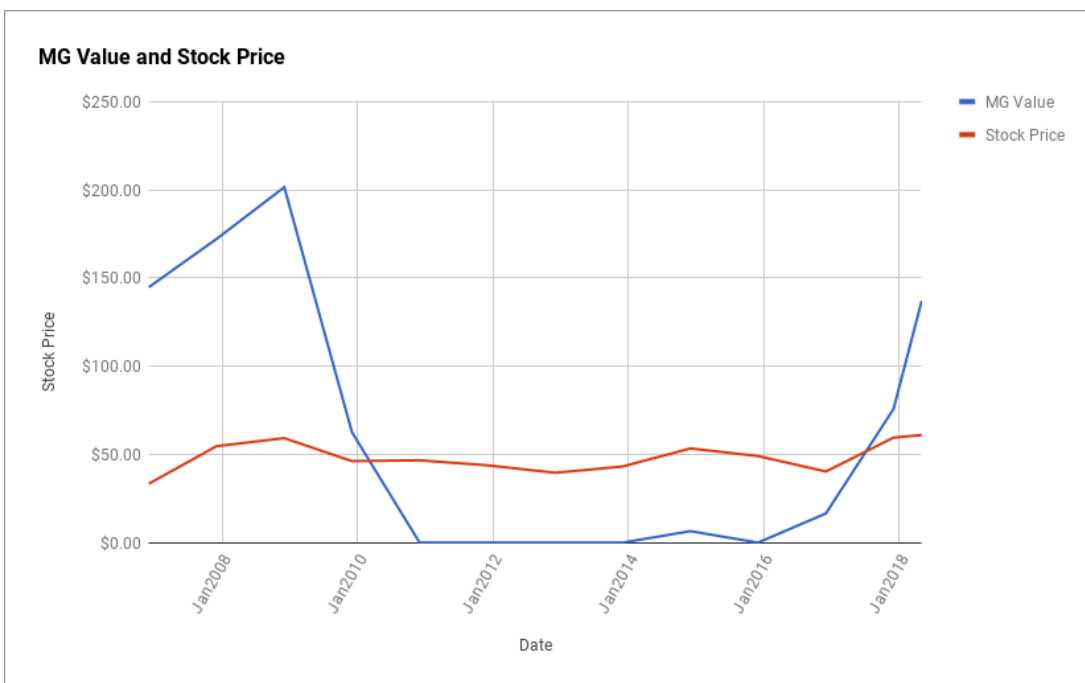
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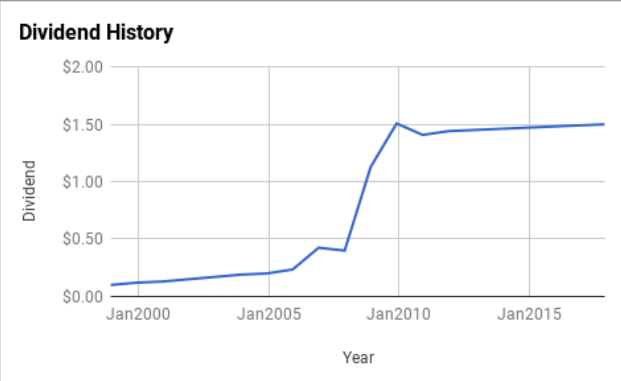
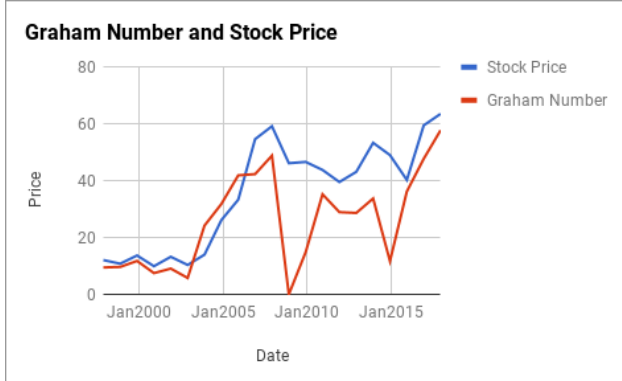
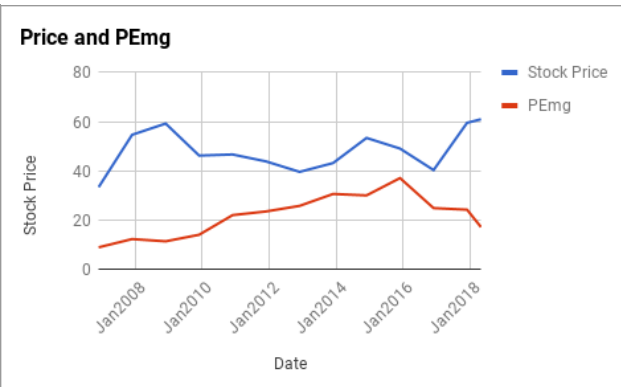
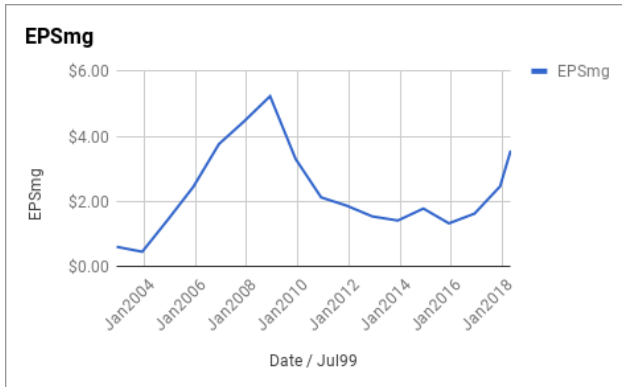
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.40	Next Fiscal Year Estimate	\$3.56
Dec2017	\$4.10	Dec2017	\$2.46
Dec2016	\$2.48	Dec2016	\$1.62
Dec2015	\$0.25	Dec2015	\$1.32
Dec2014	\$2.11	Dec2014	\$1.78
Dec2013	\$1.52	Dec2013	\$1.41
Dec2012	\$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	Balance Sheet Information 3/1/2018	
Dec2000	\$0.95	Total Current Assets	\$7,079,216,000
Dec1999	\$0.70	Total Current Liabilities	\$2,844,581,000
Dec1998	\$0.75	Long-Term Debt	\$3,242,865,000
		Total Assets	\$16,121,246,000
		Intangible Assets	\$3,087,686,000
		Total Liabilities	\$7,145,219,000
		Shares Outstanding (Diluted Average)	320,474,000





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 Valuation – December 2016 \\$NUE](#)
 - [Nucor Corp Valuation – August 2016 \\$NUE](#)
 - [Nucor Corp Valuation – February 2016 Update \\$NUE](#)
 - [Nucor Corporation Analysis – September 2015 Update \\$NUE](#)
 - [Nucor Corporation Analysis – June 2015 Update \\$NUE](#)

- Other ModernGraham posts about related companies**
- [Labrador Iron Ore Royalty Corp Valuation – Initial Coverage \\$TSE:LIF](#)
 - [SunCoke Energy Inc Valuation – Initial Coverage \\$\\$XC](#)
 - [Steel Dynamics Inc Valuation – Initial Coverage \\$STLD](#)
 - [Carpenter Technology Corp Valuation – Initial Coverage \\$CRS](#)
 - [Commercial Metals Company Valuation – Initial Coverage \\$CMC](#)
 - [Cliffs Natural Resources Inc Valuation – January 2017 \\$CLF](#)
 - [Nucor Corporation Valuation – December 2016 \\$NUE](#)
 - [Nucor Corp Valuation – August 2016 \\$NUE](#)
 - [United States Steel Corp Valuation – July 2016 \\$X](#)
 - [Nucor Corp Valuation – February 2016 Update \\$NUE](#)