Vulcan Materials Company (VMC)

Updated March 9th, 2026, by Nathan Parsh

Key Metrics

Current Price:	$274	**5 Year Annual Expected Total Return:**	9.2%	**Market Cap:**	$36 B
Fair Value Price:	$281	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	03/09/26
% Fair Value:	97%	**5 Year Valuation Multiple Estimate:**	0.5%	**Dividend Payment Date:**	03/23/26
Dividend Yield:	0.8%	**5 Year Price Target**	$413	**Years Of Dividend Growth:**	13
Dividend Risk Score:	B	**Sector:**	Materials	**Rating:**	Hold

Overview & Current Events

Vulcan Materials is a leading producer and distributor of crushed stone. The company has more than 400 aggregate production facilities across 23 U.S. states as well as the District of Columbia, the Bahamas and Mexico. The company shipped more than 226 million tons of aggregates in 2025. In addition, Vulcan Materials employees ~12,000 people across its facilities. The company has annual revenues of just over $8 billion.

On February 13th, 2026, Vulcan Materials announced that it was increasing its quarterly dividend 6.1% to $0.52.

On February 17th, 2026, Vulcan Materials reported fourth quarter and full year results for the period ending December 31st, 2026. For the quarter, revenue grew 3.1% to $1.91 billion but missed estimates by $44 million. Adjusted earnings-per-share of $1.70 compared unfavorably to adjusted earnings-per-share of $2.17 in the prior year and was $0.41 below expectations. For the year, revenue grew 7.1% to $7.9 billion while adjusted earnings-per-share of $8.00 compared to $7.53 in 2024.

Aggregates gross profit per ton declined 12.3% to $7.91 for the quarter but was up 4.8% to $8.66 for the year. For the quarter, total shipments improved 2.2% to 55.1 million tons. Revenue for the segment grew 3.2% to $1.52 billion. Asphalt cash gross profit of $51.8 million represented a decrease of 11.5% from the prior year. Revenue for this category was down 8.1% to $300.7 million. Concrete revenue surged 29.3% to $211.4 million, mostly due to acquired assets. During the quarter, Vulcan Materials completed its sale of its asphalt and construction assets in the Houston area as well as entered into an agreement to sell its ready mixed concrete business in California.

Vulcan Materials is expected to earn $9.37 per share in 2026, which would be an 17.1% increase from the prior year. We have initiated our forecast accordingly.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.11	$2.38	$3.87	$4.67	$4.41	$5.04	$5.11	$7.00	$7.53	$8.00	***$9.37***	***$13.77***
DPS	$0.80	$1.00	$1.12	$1.24	$1.36	$1.48	$1.60	$1.72	$1.84	$1.96	***$2.08***	***$2.65***
Shares[1]	132	132	132	132	133	133	134	134	133	132	***132***	***132***

Vulcan Materials' earnings-per-share have been erratic in the past, but results have mostly been higher over the last decade. The company struggled during the 2007 to 2009 time period and earnings-per-share turned negative at the start of the previous decade. On the plus side, earnings-per-share have a compound annual growth rate of more than 11% since 2016. Growth has accelerated to 13.2% per year over the last five years. We believe that this growth rate can largely be attributed to the strength of the overall economy and the resulting demand for products as well as the low starting base.

Product prices are very low for much of the company's business. For example, aggregates, which account for more than three-quarters of all revenue, typically sell for approximately $19 to $22 per ton. This does not leave much margin for error for Vulcan Materials if demand were to decline. We reaffirm our earnings-per-share growth rate of 8% annually through 2031 as we feel this takes into account the robust demand for products recently as well as the high base from

[1] Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

which EPS begins. We do note that this growth rate could prove to be too conservative given the long- and medium-term growth rates that the company has produced.

Vulcan Materials cut its dividend every year from 2009 to 2012 as the company grappled with the recession’s impact on business. The company has so aggressively raised its dividend in recent years that the compound annual growth rate is 10.5% over the past decade and 7.0% over the past five years. We project 5% dividend annual dividend growth through 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	35.9	---	30.1	28	28.6	41.4	34.3	32.4	34.2	35.7	***29.2***	***30.0***
Avg. Yld.	0.7%	0.8%	1.0%	0.9%	1.1%	0.7%	0.9%	0.8%	0.7%	0.7%	***0.8%***	***0.6%***

Shares have decreased $7, or 2.5%, since our November 17th, 2025 report. With unpredictable earnings growth comes an unpredictable valuation. Shares of Vulcan Materials have traded with extremely high valuations over the last decade and that is when earnings-per-share have steadily increased. We reaffirm our target multiple to 30 times earnings, up from 27 previously, as we feel this considers the unpredictability of the stock, but moves the target valuation closer the stock’s long-term average P/E of 33. Using expected earnings-per-share for the year, Vulcan Materials has a price-to-earnings ratio of 29.2. This implies that valuation expansion could be a tailwind for total returns. Returning to our target valuation by 2031 would add 0.5% to annual returns during this time.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	26%	42%	29%	27%	31%	29%	31%	25%	24%	25%	***22%***	***19%***

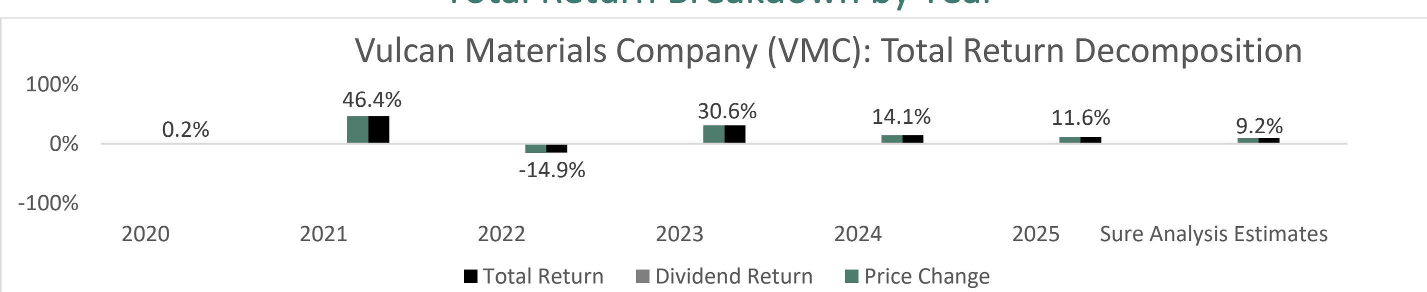
Vulcan Materials’ business is highly correlated to the state of the economy. Earnings-per-share declined 63% from 2007 to 2008. The following year, earnings-per-share fell 91%. The company then posted three consecutive years of earnings-per-share losses as it struggled to rebound from the last recession.

Vulcan Materials is one of the larger names in its industry, which gives it some advantages against peers. However, the company is far from immune to downturns in the market. We do find the company’s acquisition of U.S. Concrete a positive as this should enhance Vulcan Materials’ presence in California, Texas, and the Northeast. This should slightly reduce the company’s reliance on the Gulf Coast for much of its revenues.

Final Thoughts & Recommendation

Vulcan Materials is now forecasted to produce an annual return of 9.2% through 2031, up from our prior estimate of 6.4%. Our projected return stems from an 8% earnings growth rate, a starting yield of 0.8%, and a small tailwind from multiple expansion. Vulcan Materials is a name that can perform extremely well when the economy is growing. On the other hand, the company struggles considerably when a recession takes place. We continue to view shares of Vulcan Materials as a hold due to projected returns but note the company’s solid dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,593	3,890	4,383	4,929	4,857	5,552	7,315	7,782	7,418	7,941
Gross Profit	1,001	994	1,101	1,256	1,281	1,373	1,558	1,949	2,000	2,175
Gross Margin	27.9%	25.5%	25.1%	25.5%	26.4%	24.7%	21.3%	25.0%	27.0%	27.4%
SG&A Exp.	315	325	333	371	360	418	515	543	531	564
Operating Profit	686	669	768	885	922	956	1,043	1,408	1,485	1,613
Op. Margin	19.1%	17.2%	17.5%	18.0%	19.0%	17.2%	14.3%	18.1%	20.0%	20.3%
Net Profit	422	593	518	623	588	674	595	946	921	1,083
Net Margin	11.8%	15.3%	11.8%	12.6%	12.1%	12.1%	8.1%	12.2%	12.4%	13.6%
Free Cash Flow	294	185	364	600	708	561	536	664	806	1,135
Income Tax	125	(232)	105	135	156	200	193	299	251	308

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	8,797	9,773	10,045	10,882	11,886	13,916	14,666	14,980	17,571	17,074
Cash & Equivalents	268	147	44	275	1,198	242	162	949	601	189
Acc. Receivable	398	434	512	532	513	783	846	888	888	885
Inventories	346	384	429	458	449	521	579	616	682	681
Goodwill & Int.	3,864	4,186	4,261	4,259	4,296	5,446	5,392	4,992	5,503	5,270
Total Liabilities	4,225	4,804	4,842	5,260	5,859	7,348	7,714	7,472	9,429	8,525
Accounts Payable	145	197	216	265	273	366	455	390	407	439
Long-Term Debt	1,983	2,855	2,779	3,172	3,693	4,618	4,481	4,414	5,849	4,896
Total Equity	4,572	4,969	5,203	5,622	6,027	6,545	6,929	7,483	8,119	8,525
LTD/E Ratio	0.43	0.57	0.56	0.57	0.62	0.71	0.67	0.60	0.73	0.58

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.8%	6.4%	5.2%	5.9%	5.2%	5.2%	4.2%	6.4%	5.7%	6.2%
Return on Equity	9.4%	12.4%	10.2%	11.5%	10.1%	10.7%	8.8%	13.1%	11.8%	13.0%
ROIC	6.5%	8.3%	6.5%	7.3%	6.3%	6.4%	5.2%	8.0%	7.1%	7.9%
Shares Out.	132	132	132	132	133	133	134	134	133	132
Revenue/Share	26.46	28.84	32.73	36.95	36.45	41.59	54.75	58.20	55.73	59.84
FCF/Share	2.17	1.37	2.72	4.50	5.31	4.20	4.01	4.97	6.06	8.56

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.