Commercial Metals Company (CMC)

Updated July 15th, 2026 by Jonathan Weber

Key Metrics

Current Price:	$67	**5 Year CAGR Estimate:**	7.8%	**Market Cap:**	$7.3B
Fair Value Price:	$76	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	10/04/26[1]
% Fair Value:	88%	**5 Year Valuation Multiple Estimate:**	2.6%	**Dividend Payment Date:**	10/12/26[2]
Dividend Yield:	1.2%	**5 Year Price Target**	$93	**Years Of Dividend Growth:**	6
Dividend Risk Score:	C	**Sector:**	Materials	**Rating:**	Hold

Overview & Current Events

Commercial Metals Company is a producer of steel and metal products. It primarily sells construction materials such as rebar, with its products produced across the company's mini-mills, recycling facilities, steel fabrication plants, and so on. Commercial Metals Company also sells materials to other steel and metal companies, recyclers, etc., and provides related services. Commercial Metals Company is active in the United States primarily, but also operates in some European and Asian countries, which provides some geographical diversification. Commercial Metals Company was founded in 1915 and is headquartered in Irving, Texas.

Commercial Metals Company reported its most recent quarterly results, for its fiscal third quarter, on June 26th. The company announced that it generated revenues of $2.48 billion during the quarter, which represents an increase of 23% year over year. This was a little more than what was expected by the analyst community, as the results topped the revenue consensus by $70 million, or around 3%.

Commercial Metals Company generated adjusted earnings-per-share of $1.73 during the fiscal third quarter, which was up by a very strong 147% versus the prior year's quarter, when the company had only earned $0.70 on an adjusted basis. This strong earnings growth was partially driven by higher revenues, but also by margin growth in the North American steel business and the Construction Solutions business unit.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.47	$0.39	$1.17	$1.66	$2.32	$3.39	$9.95	$7.25	$4.14	$0.72	***$6.35***	***$7.73***
DPS	$0.48	$0.48	$0.48	$0.48	$0.48	$0.48	$0.56	$0.64	$0.68	$0.72	***$0.80***	***$1.02***
Shares[3]	117	117	118	119	120	122	122	119	117	114	***112***	***105***

Commercial Metals Company is active in a cyclical industry, as both its sales volumes and its sales prices are impacted by the strength of the economy, with commodity and energy price movements further adding to swings in its profitability. This is clearly visible in the above table, where we see that profits saw major ups and downs on a year-over-year basis in the past. Over a longer time frame, however, there still is a clear upwards trend in Commercial Metals Company's profits, and the company has now also grown its dividend for six years in a row.

The industry Commercial Metals Company is active in will remain cyclical in the future, as its profits depend, for example, on building activity in core markets such as the United States. Some short-term profit swings thus have to be expected. Over the longer run, however, Commercial Metals Company should see some profit growth, stemming from drivers such as tuck-in acquisitions, some market growth potential, and a product mix shift towards higher-margin, more specialized products and services. In recent years, Commercial Metals Company has also reduced its share count reliably via share repurchases, and we believe that this will be an earnings-per-share growth driver in the future, too. Overall, we believe that a mid-single digit earnings-per-share growth rate is achievable in the long run.

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[1] Estimated date

[2] Estimated date

[3] In Billions

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.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	72.9	50.4	18.7	12.9	9.7	6.5	4.8	6.2	14.9	83.9	***10.6***	***12.0***
Avg. Yld.	2.1%	2.4%	2.2%	2.2%	2.3%	1.6%	1.2%	1.4%	1.1%	1.1%	***1.2%***	***1.1%***

Commercial Metals Company's share price has risen nicely over the last year, but shares do not look expensive today. Based on forecasted earnings-per-share of around $6.35 for the current fiscal year, the company only trades at roughly 10x to 11x net profits right now. We believe that this represents a small discount compared to fair value, which we see at around 12x net profits. At current prices, the dividend yield that investors can get from Commercial Metals Company is not attractive, at just above 1%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	102%	123%	41%	29%	21%	14%	6%	9%	16%	100%	***13%***	***13%***

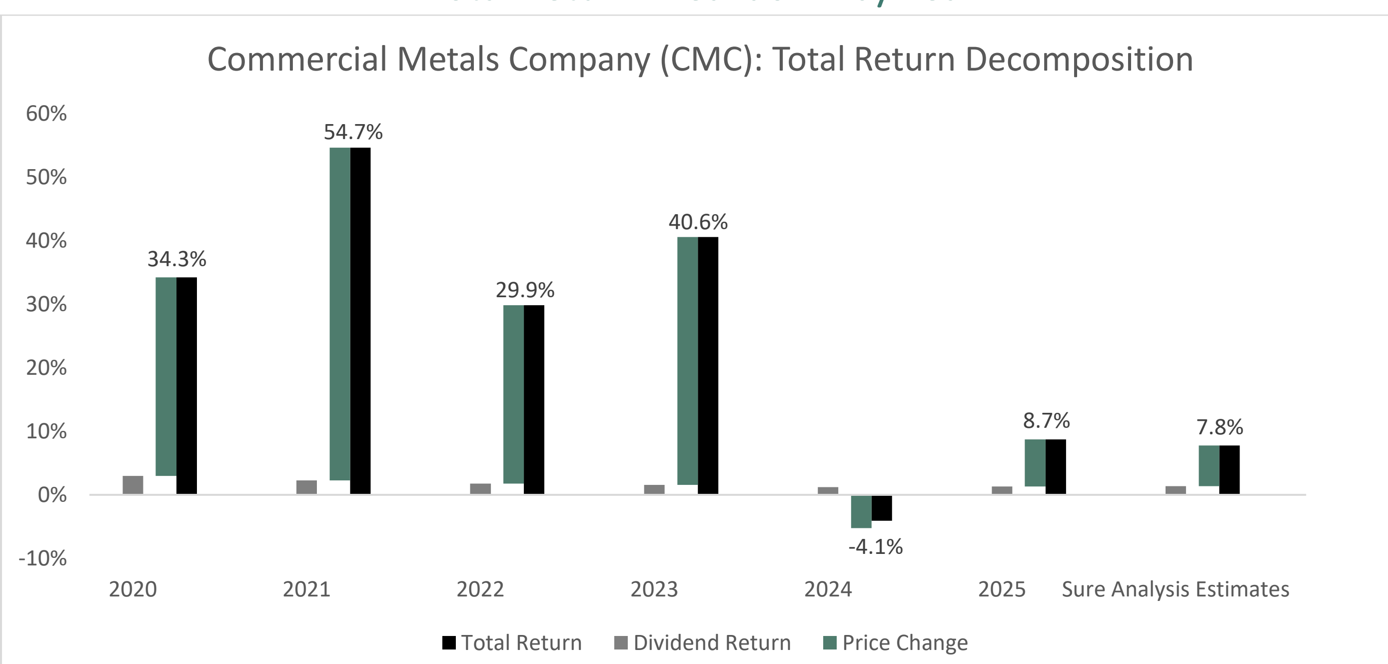
Due to the large swings in its profitability, Commercial Metals Company has seen its dividend payout ratio move in a very wide range, from more than 100% to as low as 6%. Despite these large payout ratio swings, the company has not cut its dividend in more than a decade. We think that Commercial Metals Company's dividend is reasonably safe.

Commercial Metals Company is exposed to macro factors such as building activity, economic growth, and is also influenced by commodity and energy price movements. Investors thus have to live with elevated volatility of both the company's profits and share price. With tuck-in acquisitions and a shift in its product mix towards higher-margin products, Commercial Metals Company is strengthening its competitiveness.

Final Thoughts & Recommendation

Commercial Metals Company has a cyclical business model, and investors have to live with volatility when they invest here. 2026 should be a very solid year for the company, and the valuation isn't high, but forecasted total returns also aren't high enough to warrant a Buy rating, which is why we rate Commercial Metals Company a Hold right here.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	4,178	3,844	4,644	5,829	5,476	6,730	8,913	8,800	7,926	7,798
Gross Profit	593	531	615	802	939	1,088	1,872	1,801	1,357	1,202
Gross Margin	14.2%	13.8%	13.2%	13.8%	17.1%	16.2%	21.0%	20.5%	17.1%	15.4%
SG&A Exp.	415	387	401	463	505	496	545	644	665	700
D&A Exp.	127	125	132	159	166	168	175	219	280	286
Operating Profit	207	165	219	339	479	605	1,327	1,174	695	499
Op. Margin	4.9%	4.3%	4.7%	5.8%	8.8%	9.0%	14.9%	13.3%	8.8%	6.4%
Net Profit	58	50	135	199	278	413	1,217	860	485	85
Net Margin	1.4%	1.3%	2.9%	3.4%	5.1%	6.1%	13.7%	9.8%	6.1%	1.1%
Free Cash Flow	424	(39)	(16)	(102)	604	44	250	736	575	312
Income Tax	11	15	30	70	92	121	298	262	150	23

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	3,131	2,975	3,328	3,759	4,082	4,639	6,371	6,815	7,005	7,172
Cash & Equiv.	518	253	622	192	542	498	673	592	858	1,043
Acc. Receivable	689	561	749	1,016	881	1,106	1,359	1,240	1,159	1,202
Inventories	540	463	589	692	625	935	1,170	1,036	972	934
Goodwill & Int.	79	78	78	77	77	76	506	645	620	598
Total Liabilities	1,763	1,574	1,835	2,135	2,192	2,344	3,084	2,694	2,705	2,979
Accounts Pay	208	226	261	288	266	451	428	364	351	358
Long-Term Debt	1,071	825	1,158	1,241	1,179	1,137	1,613	1,285	1,330	1,491
Total Equity	1,367	1,401	1,493	1,624	1,889	2,295	3,286	4,121	4,300	4,193
LTD/E Ratio	0.78	0.59	0.78	0.77	0.64	0.52	0.50	0.32	0.32	0.36

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.8%	1.6%	4.3%	5.6%	7.1%	9.5%	22.1%	13.0%	7.0%	1.2%
Return on Equity	4.2%	3.6%	9.3%	12.8%	15.8%	19.7%	43.6%	23.2%	11.5%	2.0%
ROIC	2.3%	2.2%	5.5%	7.2%	9.3%	12.5%	28.9%	16.6%	8.7%	1.5%
Shares Out.	117	117	118	119	120	122	122	119	117	114
Revenue/Share	35.82	32.75	39.31	48.93	45.52	55.17	72.84	74.19	67.66	68.36
FCF/Share	3.63	(0.33)	(0.14)	(0.85)	5.02	0.36	2.05	6.20	4.91	2.74

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