



Company	Ticker	Sector	Industry
Valero Energy Corporation	VLO-US	Energy	Oil Gas & Consumable Fuels

Business Description

Valero Energy Corp. engages in the manufacture and marketing of transportation fuels and other petrochemical products. It operates through the following business segments: Refining, Ethanol and Renewable Diesel. The Refining segment consists of refining operations, associated marketing activities, and logistics assets that support its refining operations. The Ethanol segment includes its ethanol operations, associated marketing activities, and logistics assets that support its ethanol operations. The Renewable Diesel covers the operations of Diamond Green Diesel Holdings LLC. The company was founded in 1980 and is headquartered in San Antonio, TX.

Price Chart

Key Info & Metrics



Empirical Research Rank:	1
Date Purchased:	01/02/2018
Price:	\$135.09
52-Week Range:	\$97.89 - \$149.96
Dividend Yield:	2.93%
Market Cap (\$M):	\$50,139
Forward Price-to-Earnings:	6

Total Return

Year-to-Date:	7.3%
1 Year:	37.4%
3 Year:	289.3%
5 Year:	77.1%

Investment Case - Updated: March 8, 2023

Scale and diversity have allowed Valero (the second largest refiner in the U.S.) to source cheaper feedstocks and move end products towards the most undersupplied markets, thus boosting profitability. Permanent plant closures hastened by the pandemic has combined with a sharper-than-expected recovery in fuel demand to drive record industry profitability. This was evident throughout 2022 as refiners saw their fundamentals double or triple that of their long-term averages allowing Valero to significantly reduce its pandemic debt load further improving its balance sheet. Valero has also kept pace with environmental concerns, adding capacity for renewable diesel and ethanol. Moving forward, the refining market is expected to remain tight given lower inventories and demand recovery amid lower global supply.

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