

# ModernGraham Valuation

## Company Name:

Company Ticker DNR  
Date of Analysis

Denbury Resources  
Inc.

11/9/2015



## 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	\$1,489,380,215 Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.46 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-123.21% Fail
6. Moderate PEmg Ratio	PEmg < 20	-16.58 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.33 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	1.46 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	19.75 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Fail
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Fail

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.25
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	-\$3.67
MG Value based on 0% Growth	-\$2.15
Market Implied Growth Rate	-12.54%

### MG Opinion

Current Price	\$4.20
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.82
Graham Number	#NUM!
PEmg	-16.58
Current Ratio	1.46
PB Ratio	0.33
Dividend Yield	6.00%
Number of Consecutive Years of Dividend Growth	2

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$3.70	Next Fiscal Year Estimate	-\$0.25
Dec14	\$1.81	Dec14	\$1.41
Dec13	\$1.11	Dec13	\$1.09
Dec12	\$1.35	Dec12	\$1.04
Dec11	\$1.43	Dec11	\$0.88
Dec10	\$0.72	Dec10	\$0.66
Dec09	-\$0.30	Dec09	\$0.67
Dec08	\$1.54	Dec08	\$1.06
Dec07	\$1.00	Dec07	\$0.76
Dec06	\$0.82	Dec06	\$0.58
Dec05	\$0.70	Dec05	\$0.43
Dec04	\$0.36	Dec04	\$0.32
Dec03	\$0.26	Dec03	\$0.30
Dec02	\$0.22	Dec02	\$0.12
Dec01	\$0.28	Dec01	-\$0.05
Dec00	\$0.77	Dec00	-\$0.26
Dec99	\$0.03	Dec99	-\$0.67
Dec98	-\$2.77	<b>Balance Sheet Information</b> <b>Jun15</b> Total Current Assets \$558,382,000 Total Current Liabilities \$382,641,000 Long-Term Debt \$3,471,141,000 Total Assets \$10,495,300,000 Intangible Assets \$1,261,512,000 Total Liabilities \$6,095,269,000 Shares Outstanding (Diluted Average) 350,039,000	
Dec97	\$0.18		
Dec96	\$0.16		
Dec95	\$0.03		





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

- [10 Most Undervalued Companies for the Enterprising Investor – October 2015](#)
- [5 Undervalued Companies for Value Investors with a High Beta – October 2015](#)
- [10 Companies Benjamin Graham Would Invest In Today – October 2015](#)
- [The Best Companies of the Oil & Gas Industry – August 2015](#)
- [10 Low PE Stocks for the Enterprising Investor – August 2015](#)

Other  
ModernGraham  
posts about related  
companies

- [Western Refining Inc. Valuation – October 2015 Update \\$WNR](#)
- [Valero Energy Corporation Valuation – October 2015 Update \\$VLO](#)
- [Schlumberger Limited Valuation – October 2015 Update \\$SLB](#)
- [National Oilwell Varco Inc. Valuation – October 2015 Update \\$NOV](#)
- [Tesoro Corporation Analysis – October 2015 Update \\$TSO](#)
- [Cameron International Company Analysis – September 2015 Update \\$CAM](#)
- [Halliburton Company Analysis – September 2015 Update \\$HAL](#)
- [Kinder Morgan Inc. Analysis – September 2015 Update \\$KMI](#)
- [Range Resources Corporation Analysis – August 2015 Update \\$RRC](#)
- [Helmerich & Payne Inc. Analysis – August 2015 Update \\$HP](#)