

ModernGraham Valuation



Company Name:

Denbury Resources
Inc.

Company Ticker DNR

Date of Analysis

2/21/2017

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	\$1,251,575,725	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.40	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	-654.91%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-0.97	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.48	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	0.40	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-11.97	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-3.31
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$47.98
MG Value based on 0% Growth	-\$28.12
Market Implied Growth Rate	-4.74%

MG Opinion

Current Price	\$3.22
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.80
Graham Number	\$0.00
PEmg	-0.97
Current Ratio	0.40
PB Ratio	1.48
Current Dividend	\$0.06
Dividend Yield	1.96%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$1.67	Next Fiscal Year Estimate	-\$3.31
Dec2015	-\$12.57	Dec2015	-\$3.21
Dec2014	\$1.81	Dec2014	\$1.41
Dec2013	\$1.11	Dec2013	\$1.09
Dec2012	\$1.35	Dec2012	\$1.04
Dec2011	\$1.43	Dec2011	\$0.88
Dec2010	\$0.72	Dec2010	\$0.66
Dec2009	-\$0.30	Dec2009	\$0.67
Dec2008	\$1.54	Dec2008	\$1.06
Dec2007	\$1.00	Dec2007	\$0.76
Dec2006	\$0.82	Dec2006	\$0.58
Dec2005	\$0.70	Dec2005	\$0.43
Dec2004	\$0.36	Dec2004	\$0.32
Dec2003	\$0.26	Dec2003	\$0.30
Dec2002	\$0.22	Dec2002	\$0.12
Dec2001	\$0.28	Dec2001	-\$0.05
Dec2000	\$0.77	Dec2000	-\$0.26
Dec1999	\$0.03	Balance Sheet Information 9/1/2016	
Dec1998	-\$2.77	Total Current Assets	\$162,717,000
Dec1997	\$0.18	Total Current Liabilities	\$405,245,000
Dec1996	\$0.16	Long-Term Debt	\$2,903,051,000
		Total Assets	\$4,816,801,000
		Intangible Assets	\$0
		Total Liabilities	\$3,969,457,000
		Shares Outstanding (Diluted Average)	388,572,000





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

- [Denbury Resources Inc. Valuation – November 2015 Update \\$DNR](#)
- [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](#)

Other
ModernGraham
posts about related
companies

- [California Resources Corp Valuation – Initial Coverage \\$CRC](#)
- [Crew Energy Inc Valuation – Initial Coverage \\$TSE:CR](#)
- [Exxon Mobil Corp Valuation – February 2017 \\$XOM](#)
- [Superior Energy Services Inc Valuation – Initial Coverage \\$SPN](#)
- [2017 Oil & Gas Industry Review](#)
- [Spartan Energy Corp Valuation – Initial Coverage \\$TSE:SPE](#)
- [Crescent Point Energy Corp Valuation – Initial Coverage \\$TSE:CPG](#)
- [Tesoro Corporation Valuation – February 2017 \\$TSO](#)
- [Kelt Exploration Ltd Valuation – Initial Coverage \\$TSE:KEL](#)
- [Canadian National Resources Ltd Valuation – Initial Coverage \\$TSE:CNQ](#)