

ModernGraham Valuation

Company Name:

Company Ticker NRP

Date of Analysis

2/4/2017

Natural Resource
Partners LP



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	\$453,810,698	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.76	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-164.45%	Fail
5. Earnings Growth	PEmg < 20	-8.70	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.97	Fail
7. Moderate Price to Assets			

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	0.76	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-20.70	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	-\$4.25
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$61.63
MG Value based on 0% Growth	-\$36.13
Market Implied Growth Rate	-8.60%

MG Opinion

Current Price	\$37.00
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$98.76
Graham Number	\$47.66
PEmg	-8.70
Current Ratio	0.76
PB Ratio	2.97
Current Dividend	\$1.80
Dividend Yield	4.86%
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	\$8.10	Next Fiscal Year Estimate	-\$4.25
Dec2015	-\$45.75	Dec2015	-\$6.70
Dec2014	\$9.42	Dec2014	\$12.88
Dec2013	\$15.39	Dec2013	\$14.22
Dec2012	\$19.70	Dec2012	\$13.84
Dec2011	\$5.00	Dec2011	\$11.55
Dec2010	\$15.40	Dec2010	\$14.99
Dec2009	\$11.70	Dec2009	\$15.07
Dec2008	\$19.50	Dec2008	\$16.36
Dec2007	\$12.60	Dec2007	\$14.29
Dec2006	\$17.40	Dec2006	\$13.76
Dec2005	\$16.95	Dec2005	\$10.48
Dec2004	\$11.45	Dec2004	\$6.22
Dec2003	\$7.95	Dec2003	\$3.02
Dec2002	\$1.40	Dec2002	\$0.47
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 9/1/2016	
Dec1998	\$0.00	Total Current Assets	\$160,965,000
Dec1997	\$0.00	Total Current Liabilities	\$211,300,000
Dec1996	\$0.00	Long-Term Debt	\$1,041,984,000
		Total Assets	\$1,521,406,000
		Intangible Assets	\$53,907,000
		Total Liabilities	\$1,369,007,000
		Shares Outstanding (Diluted Average)	12,232,000





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

- [Natural Resource Partners LP Analysis – October 2015 Update \\$NRP](#)
- [10 Companies in the Spotlight This Week – 12/28/13](#)
- [ModernGraham Valuation: Natural Resource Partners L.P. \(NRP\)](#)

Other ModernGraham posts about related companies

- [Kaiser Aluminum Corp Valuation – Initial Coverage \\$KALU](#)
- [Freeport-McMoRan Inc Valuation – January 2017 \\$FCX](#)
- [Semafo Inc Valuation – Initial Coverage \\$TSE:SMF](#)
- [U.S. Silica Holdings Inc Valuation – Initial Coverage \\$SLCA](#)
- [Ivanhoe Mines Ltd Valuation – Initial Coverage \\$TSE:IVN](#)
- [Cloud Peak Energy Inc Valuation – Initial Coverage \\$CLD](#)
- [Centerra Gold Inc Valuation – Initial Coverage \\$TSE:CG](#)
- [IAMGOLD Corp Valuation – Initial Coverage \\$IMG](#)
- [Silver Wheaton Corp Valuation – December 2016 \\$SLW](#)
- [Century Aluminum Co Valuation – Initial Coverage \\$CENX](#)