ModernGraham Valuation

Company Name:

Natural Resource Partners LP



2.97 Fail

Company Ticker NRP Date of Analysis

2/4/2017

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.

5. Earnings Growth

6. Moderate PEmg Ratio

7. Moderate Price to Assets

 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
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
PEmg < 20
-8.70 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	0.76 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

PB Ratio < 2.5 OR PB*PEmg < 50

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
Glowin	U

Morningstar

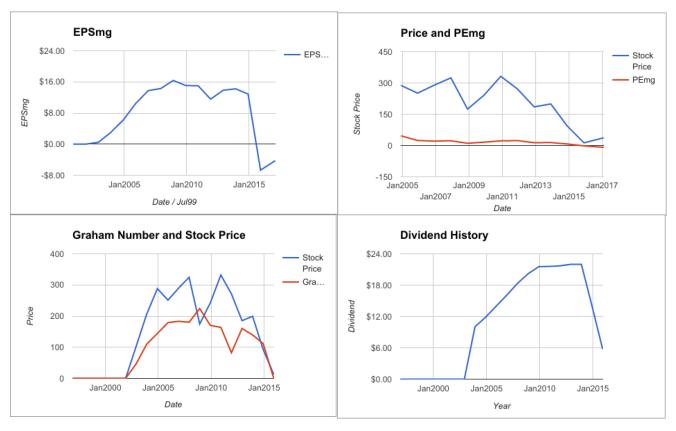
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EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$8.10	Next Fiscal Year Estimate	-\$4.25
Dec2015	-\$45.75	Dec2015	-\$6.70
Dec2014	\$9.42	Dec2014	\$12.88
Dec2013	\$15.39	Dec2013	\$14.22
Dec2012	\$19.70	Dec2012	\$13.84
Dec2011	\$5.00	Dec2011	\$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