

# ModernGraham Valuation

Company Name:

Newmont Mining Corp

Company Ticker NEM

Date of Analysis

3/18/2018



## 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	\$19,946,629,663	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.63	Pass
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	-102.77%	Fail
5. Earnings Growth	PEmg < 20	168.93	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.90	Pass
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	3.63	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.11	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 Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.22
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$8.52</b>
MG Value based on 3% Growth	\$3.21
MG Value based on 0% Growth	\$1.88
Market Implied Growth Rate	80.22%

### MG Opinion

Current Price	\$37.39
% of Intrinsic Value	438.78%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.09
Graham Number	\$22.59
PEmg	168.93
Current Ratio	3.63
PB Ratio	1.90
Current Dividend	\$0.25
Dividend Yield	0.67%
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		Next Fiscal Year Estimate	
	\$1.14		\$0.22
Dec2017	-\$0.18	Dec2017	-\$0.49
Dec2016	-\$1.18	Dec2016	-\$0.51
Dec2015	\$0.43	Dec2015	-\$0.07
Dec2014	\$1.02	Dec2014	\$0.11
Dec2013	-\$5.09	Dec2013	\$0.20
Dec2012	\$3.61	Dec2012	\$2.78
Dec2011	\$0.73	Dec2011	\$1.95
Dec2010	\$4.55	Dec2010	\$2.15
Dec2009	\$2.66	Dec2009	\$0.82
Dec2008	\$1.83	Dec2008	\$0.01
Dec2007	-\$4.17	Dec2007	-\$0.57
Dec2006	\$1.75	Dec2006	\$1.15
Dec2005	\$0.72	Dec2005	\$0.77
Dec2004	\$0.99	Dec2004	\$0.65
Dec2003	\$1.15	Dec2003	\$0.33
Dec2002	\$0.41	Dec2002	-\$0.29
Dec2001	-\$0.28	<b>Balance Sheet Information</b>	
Dec2000	-\$0.51	<b>12/1/2017</b>	
Dec1999	-\$0.62	Total Current Assets	\$5,066,000,000
Dec1998	-\$2.47	Total Current Liabilities	\$1,395,000,000
		Long-Term Debt	\$4,061,000,000
		Total Assets	\$20,563,000,000
		Intangible Assets	\$0
		Total Liabilities	\$9,954,000,000
		Shares Outstanding (Diluted Average)	538,000,000





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

- [Newmont Mining Corporation Annual Valuation – 2015 \\$NEM](#)
- [16 Companies in the Spotlight This Week – 4/26/14](#)
- [Newmont Mining Corp \(NEM\) Annual Valuation – 2014](#)

Other ModernGraham posts about related companies

- [Lucara Diamond Corp Valuation – March 2018 \\$TSE:LUC](#)
- [MAG Silver Corp Valuation – Initial Coverage \\$TSE:MAG](#)
- [Osisko Gold Royalties Ltd Valuation – Initial Coverage \\$TSE:OR](#)
- [Alcoa Corp Valuation – Initial Coverage \\$AA](#)
- [New Gold Inc \(USA\) Valuation – Initial Coverage \\$NGD](#)
- [Dominion Diamond Corp Valuation – Initial Coverage \\$TSE:DDC](#)
- [Lundin Mining Co Valuation – Initial Coverage \\$TSE:LUN](#)
- [Lucara Diamond Corp Valuation – Initial Coverage \\$TSE:LUC](#)
- [Teck Resources Ltd Valuation – Initial Coverage \\$TSE:TECK.B](#)
- [Consol Energy Inc Valuation – March 2017 \\$CNX](#)