ModernGraham Valuation

Company Name:

Company Ticker NEM Date of Analysis Newmont Mining Corp





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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$19,946,629,663	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.63	Pass
 Earnings Stability 	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-102.77%	Fail
Moderate PEmg Ratio	PEmg < 20	168.93	Fail
Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.90	Pass

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	Pass
	Score	

Suitability

Defensive	1	No
Enterprising	, I	No

Stage 2: Determination of Intrinsic Value

	EPSmg		\$0.22
	MG Growth Estimate		15.00%
	MG Value		\$8.52
	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%
	Opinion	Overvalued	
	MG Grade	F	

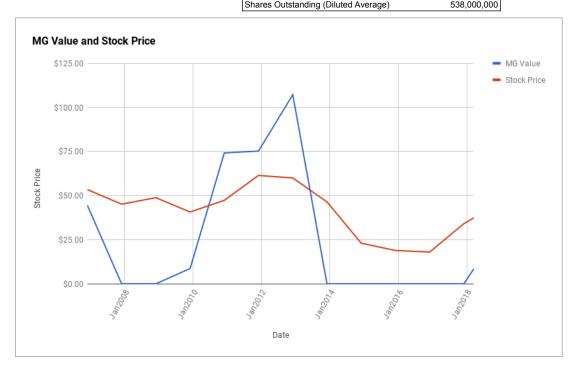
Stage 3: Information for Further Research

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:

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

EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$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	Balance Sheet Information	12/1/2017
Dec2000	-\$0.51	Total Current Assets	\$5,066,000,000
Dec1999	-\$0.62	Total Current Liabilities	\$1,395,000,000
Dec1998	-\$2.47	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
 Newmont Mining Corporation Annual Valuation – 2015 \$NEM

 ModernGraham posts about the company
 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 \$AG New Gold Inc (USA) Valuation – Initial Coverage \$NGD Dominion Diamond Corp Valuation – Initial Coverage \$TSE:DDC Lundin Mining Co Valuation – Initial Coverage \$TSE:LUC Lucara Diamond Corp Valuation – Initial Coverage \$TSE:LUC Teck Resources Ltd Valuation – Initial Coverage \$TSE:TECK.B Consol Energy Inc Valuation – March 2017 \$CNX