ModernGraham Valuation

Company Name:

Alliance Resource Partners, L.P.



Company Ticker ARLP
Date of Analysis

7/1/2018

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.

 Adequate Size of the 	e Enterprise	Market Cap > \$2Bil	\$2,428,544,196 Pass
2. Sufficiently Strong F	inancial Condition	Current Ratio > 2	1.15 Fail
3. Earnings Stability		Positive EPS for 10 years prior	Pass
4. Dividend Record		Dividend Payments for 10 years prior	Pass
		Increase of 33% in EPS in past 10 years using 3 year averages at	
Earnings Growth		beginning and end	-4.63% Fail
6. Moderate PEmg Ra	tio	PEmg < 20	6.37 Pass
7. Moderate Price to A	ssets	PB Ratio < 2.5 OR PB*PEmg < 50	1.93 Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.15 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	10.28 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Fail
	Score	

Score

Suitability

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.88
MG Growth Estimate	-4.02%
MG Value	\$1.34
MG Value based on 3% Growth	\$41.77
MG Value based on 0% Growth	\$24.49
Market Implied Growth Rate	-1.06%

MG Opinion

 Current Price
 \$18.35

 % of Intrinsic Value
 1373.62%

Opinion Overvalued

MG Grade C

Stage 3: Information for Further Research

-\$5.41
\$22.52
6.37
1.15
1.93
\$1.88
10.25%
0

Morningstar

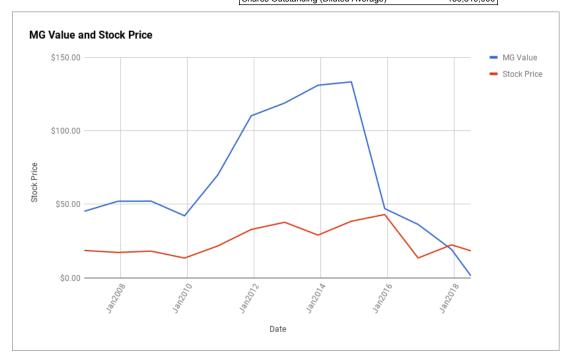
Useful Links: <u>ModernGraham tagged articles</u>

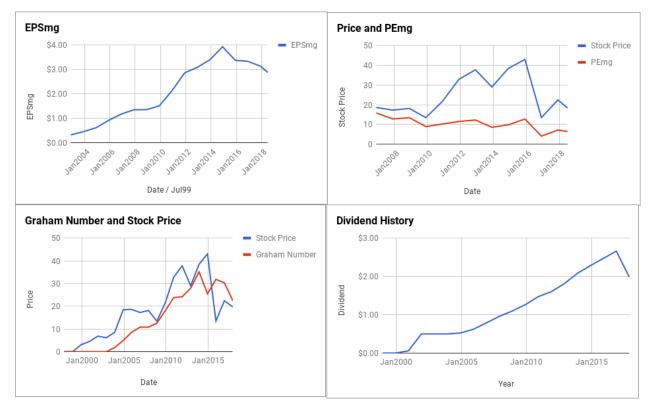
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year	40.55		20.00
Estimate		Next Fiscal Year Estimate	\$2.88
Dec2017	\$2.80	Dec2017	\$3.14
Dec2016	\$3.39	Dec2016	\$3.33
Dec2015	\$2.11	Dec2015	\$3.38
Dec2014	\$4.77	Dec2014	\$3.93
Dec2013	\$3.63	Dec2013	\$3.40
Dec2012	\$3.06	Dec2012	\$3.09
Dec2011	\$4.07	Dec2011	\$2.86
Dec2010	\$3.34	Dec2010	\$2.13
Dec2009	\$1.78	Dec2009	\$1.51
Dec2008	\$1.20	Dec2008	\$1.35
Dec2007	\$1.53	Dec2007	\$1.35
Dec2006	\$1.52	Dec2006	\$1.18
Dec2005	\$1.42	Dec2005	\$0.92
Dec2004	\$0.86	Dec2004	\$0.62
Dec2003	\$0.63	Dec2003	\$0.45
Dec2002	\$0.56	Dec2002	\$0.32
Dec2001	\$0.27	Balance Sheet Information	3/1/2018
Dec2000	\$0.25	Total Current Assets	\$294,106,000
Dec1999	\$0.12	Total Current Liabilities	\$256,493,000
Dec1998	\$0.00	Long-Term Debt	\$386,703,000
-		Total Assets	\$2,243,414,000
		Intangible Assets	\$136,399,000
		Total Liabilities	\$1,002,448,000
		Shares Outstanding (Diluted Average)	130,819,000





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 Alliance Resource Partners LP Valuation – September 2016 \$ARLP Alliance Resource Partners LP Analysis – Initial Coverage \$ARLP

Other ModernGraham posts about related companies

Freeport-McMoRan Inc Valuation – May 2018 \$FCX
Newmont Mining Corp Valuation – March 2018 \$NEM
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