

ModernGraham Valuation

Company Name:

Newmont Mining Corp

Company Ticker NEM

Date of Analysis

1/16/2019



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	\$16,869,348,574	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.70	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	-106.55%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	261.02	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.46	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	4.70	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.04	Pass
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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.12
MG Growth Estimate	2.28%
MG Value	\$1.58
MG Value based on 3% Growth	\$1.76
MG Value based on 0% Growth	\$1.03
Market Implied Growth Rate	126.26%

MG Opinion

Current Price	\$31.67
% of Intrinsic Value	1999.06%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

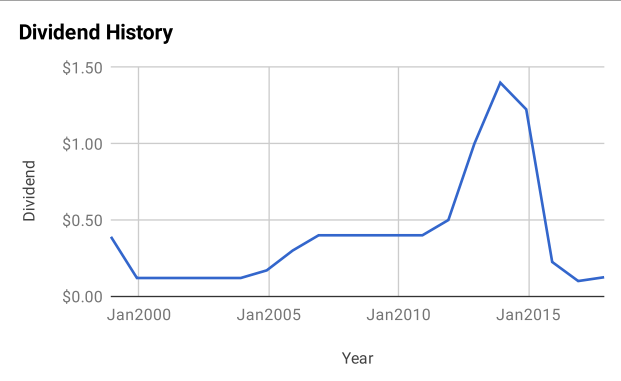
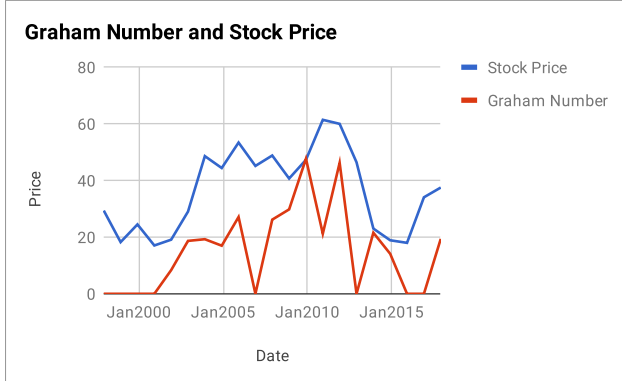
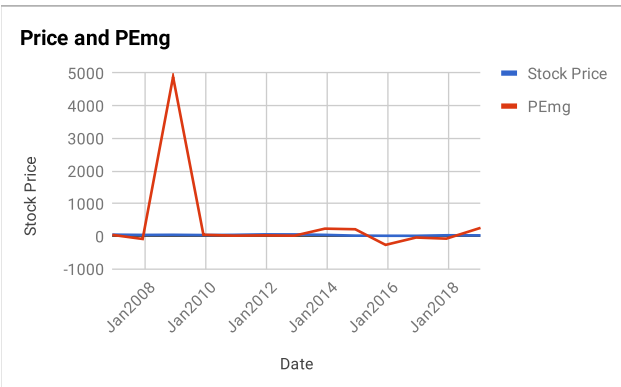
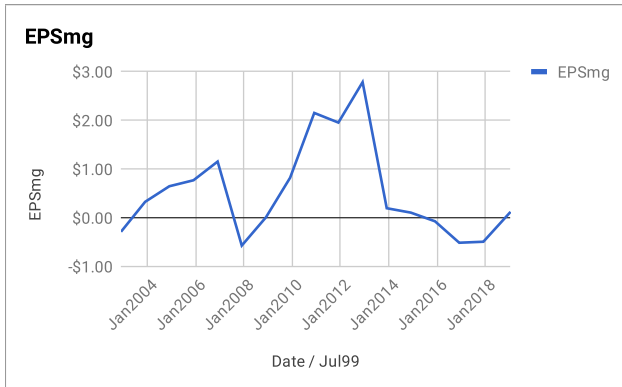
Net Current Asset Value (NCAV)	-\$7.57
Graham Number	\$19.39
PEmg	261.02
Current Ratio	4.70
PB Ratio	1.46
Current Dividend	\$0.25
Dividend Yield	0.79%
Number of Consecutive Years of Dividend Growth	2

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	\$0.84	Next Fiscal Year Estimate	\$0.12
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 9/1/2018	
Dec2000	-\$0.51	Total Current Assets	\$4,935,000,000
Dec1999	-\$0.62	Total Current Liabilities	\$1,051,000,000
Dec1998	-\$2.47	Long-Term Debt	\$4,043,000,000
		Total Assets	\$20,559,000,000
		Intangible Assets	\$0
		Total Liabilities	\$8,985,000,000
		Shares Outstanding (Diluted Average)	535,000,000





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 Corp Valuation – March 2018 \\$NEM](#)
- [Newmont Mining Corp Valuation – June 2016 \\$NEM](#)
- [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

- [SunCoke Energy Inc Valuation – September 2018 \\$SXC](#)
- [Allegheny Technologies Inc Valuation – September 2018 \\$ATI](#)
- [SSR Mining Inc Valuation – August 2018 \\$TSE-SSRM](#)
- [Sandstorm Gold Ltd Valuation – August 2018 \\$TSE-SSL](#)
- [Kirkland Lake Gold Ltd Valuation – August 2018 \\$TSE-KL](#)
- [Natural Resource Partners LP Valuation – August 2018 \\$NRP](#)
- [Kaiser Aluminum Corp Valuation – August 2018 \\$KALU](#)
- [Semafo Inc Valuation – August 2018 \\$TSE-SMF](#)
- [US Silica Holdings Inc Valuation – August 2018 \\$SLCA](#)
- [Ivanhoe Mines Ltd Valuation – August 2018 \\$TSE-IVN](#)