Rating: 72 Outperform   Price Target: $108.00 ▼(-1.99% Downside)   Action: UPGRADED   Date: 8/5/2026

Summary

NRP's score is driven primarily by strong current fundamentals (high margins, robust cash generation, and very low leverage) and supportive earnings-call guidance around significantly higher future distributions. These strengths are offset by weakening revenue/FCF momentum and a soft technical picture (below major moving averages with negative MACD), while valuation remains reasonable but not enough to outweigh near-term trend and segment headwinds (notably soda ash).

Bullish Factors

High profitability and cash generation
Strong margins and reliable conversion of earnings into cash support ongoing investment, debt service and distributions. This provides resilience through commodity cycles, although recent cash-flow momentum has weakened.

Very low financial leverage
A largely de-levered balance sheet reduces interest exposure and refinancing risk while preserving flexibility to return capital or withstand weaker commodity conditions. The current position is materially stronger than historical leverage levels.

Mineral Rights remains a dependable cash engine
The royalty-focused Mineral Rights segment supplies substantial recurring cash without the operating intensity of mine ownership. Its significant metallurgical-coal exposure supports near-term cash generation and underpins NRP's distribution capacity.

Bearish Factors

Declining revenue and free cash flow
A weakening top line and lower cash-flow momentum indicate that prior peak profitability is normalizing. If declines persist, they could constrain distributions and reduce the financial cushion available for investment or downturns.

Structural soda ash oversupply
Oversupply, weak flat-glass demand and low international prices are impairing the soda ash segment. The absence of a JV distribution and delayed Sisecam payments could make this a persistent drag on consolidated cash generation.

Long-term thermal coal and commodity exposure
NRP remains exposed to commodity prices and the gradual energy transition away from thermal coal. Lower demand, pricing pressure or disruption across coal markets could reduce royalty receipts and make future cash flows less predictable.

Natural Resource PRN Key Performance Indicators (KPIs)

Revenue by Segment

Shows how revenue is split across the company's business lines or geographies, revealing dependence on particular segments and opportunities for diversification. A concentrated revenue mix increases exposure to segment-specific downturns, while balanced growth across segments points to broader resilience and multiple growth engines.

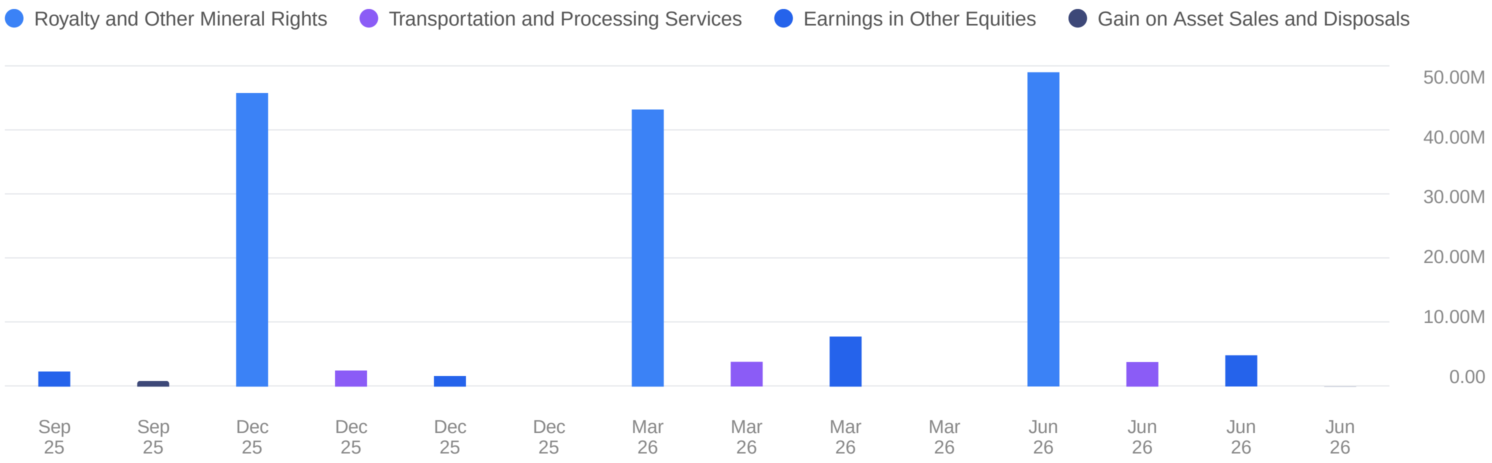
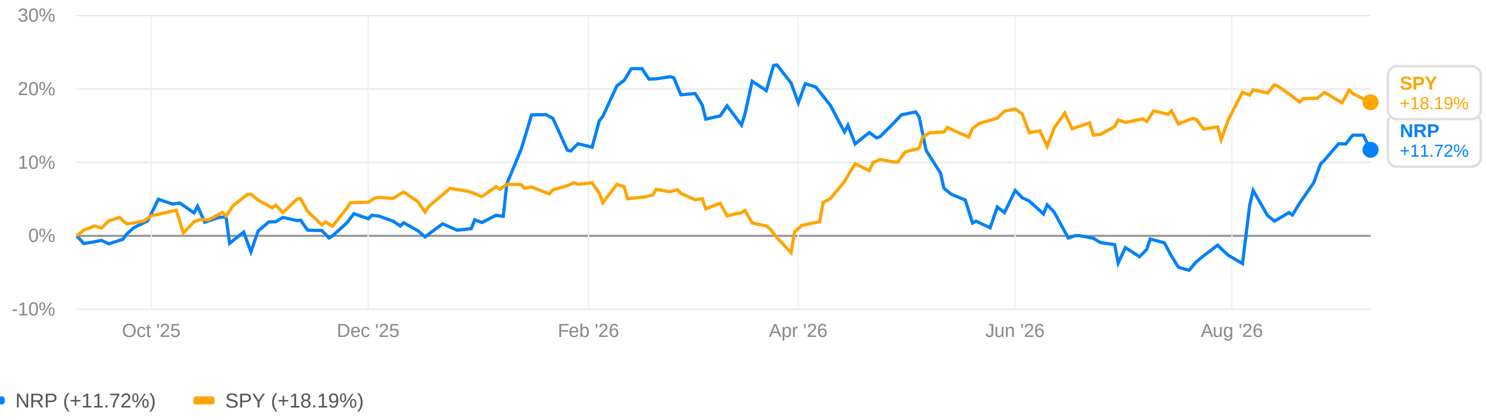


Chart Insights

Royalty and Other Mineral Rights remain the cash engine but have tracked downward from their 2022–23 highs into early 2026, reflecting weaker coal volumes and higher depletion; Transportation is small and lumpy, while Earnings in Other Equities has swung to losses as the soda ash JV turned from a cash contributor to a drag. Management's $39M infusion and active deleveraging show commitment to long term value and restoring distributions, but suspended soda ash payouts and commodity headwinds make near term distributions and free cash flow volatile.

Natural Resource PRN (NRP) vs. SPY (SPY)



Market Cap	**1.50B**	Dividend Yield	**2.79%**	Average Volume (3M)	**47.83K**
Price to Earnings (P/E)	**14.07**	Beta (1Y)	**0.35**	Revenue Growth	**-8.90%**
EPS Growth	**-26.60%**	Country	**US**	Employees	**56**
Sector	**Energy**	Sector Strength	**52**	Industry	**Coal**

Natural Resource PRN Business Overview & Revenue Model

Company Description

Natural Resource Partners L.P. (NRP) is engaged in the ownership, management, and leasing of a diverse portfolio of mineral assets across the United States. The company's operations are structured into two primary segments: Mineral Rights and Soda Ash. Its holdings encompass interests in various natural resources, including coal, soda ash, and trona. Key coal reserves are strategically located in the Appalachian, Illinois, and Northern Powder River Basins, while industrial minerals and aggregates are distributed throughout the U.S. Oil and gas properties are situated in Louisiana, and timber assets are found in West Virginia. Notably, the firm's trona ore mining and soda ash refining facilities are located in Wyoming's Green River Basin. A core aspect of its business model involves leasing out a portion of these reserves to generate royalty payments. Additionally, NRP owns and operates crucial transportation and processing infrastructure linked to its coal properties. Incorporated in 2002, Natural Resource Partners L.P. is headquartered in Houston, Texas, with NRP (GP) LP serving as its general partner.

How the Company Makes Money

null

Natural Resource PRN Earnings Call Summary

Sentiment	Earnings Date	Change Since Filing	Next Earnings
positive	Aug 05, 2026 (Q2-2026)	14.63%	Nov 10, 2026

The call conveyed a predominantly positive operational and balance-sheet story: strong free cash flow, near-elimination of debt, and planned significant distribution increases. These strengths are tempered by a meaningful earnings and cash-flow decline in the soda ash segment driven by global oversupply and price weakness, and modest near-term headwinds in Mineral Rights from higher DD&A. Management emphasized resilience of the Mineral Rights cash engine and early signs of soda ash supply rationalization but acknowledged ongoing commodity and macro uncertainty.

Highlights

Strong Free Cash Flow Generation
NRP generated $42 million of free cash flow in Q2 2026 and $163 million of free cash flow over the last 12 months (before a $39 million investment in the soda ash business in Q1), demonstrating robust cash generation across the business.

Mineral Rights Segment Cash Engine
The Mineral Rights segment produced $36 million of net income and $45 million of operating and free cash flow in Q2 2026. Metallurgical coal comprised ~70% of coal royalty revenues and ~45% of coal royalty sales volumes, and the segment remains a dependable cash generator despite modest year-over-year impacts.

Major Balance Sheet Improvements
Company paid off its bank revolver, fully repaid the OpCo credit facility, and now has only $14 million of debt outstanding (one final $14 million OpCo senior note payment scheduled for December), materially reducing interest exposure and financial leverage.

Distribution Stability and Planned Increase
NRP paid a $0.75 per common unit distribution for Q1 and announced a $0.75 distribution for Q2; management expects to significantly increase unitholder distributions beginning with the November payment, reflecting confidence in cash flow and the reduced debt load.

Corporate/Financing Performance Improved
Corporate net income improved by $2 million year-over-year in Q2, while operating cash flow and free cash flow each improved by $1 million, driven primarily by lower interest costs from reduced debt.

Early Signs of Soda Ash Market Rebalancing
Management noted international soda ash prices appear to have found a floor and recent announced extended closures total roughly 4% of global capacity—initial signs that supply reductions may eventually help rebalance the market.

Lowlights

Soda Ash Segment Weakness and Earnings Decline
Soda ash segment net income declined by $7 million versus the prior-year quarter; operating and free cash flow each decreased by $5 million. Management cited global oversupply, weakened flat glass demand, and international prices below most producers' cost of production as core drivers of the downturn.

No Soda Ash Distribution in Quarter
NRP did not receive a distribution from its soda ash JV in Q2 2026 (compared with a $5 million distribution in Q2 2025), and management does not expect distributions from Sisecam Wyoming to resume until demand rebounds and a significant supply response occurs.

Mineral Rights Q2 Income Moderation
Mineral Rights segment net income decreased by $3 million year-over-year primarily due to increased DD&A from revised mine plans at certain longwall thermal coal mines; operating and free cash flow each declined by $1 million, in part because of higher recoupments.

Ongoing Commodity and Market Uncertainties
Management highlighted continuing uncertainty from geopolitical conflict, shipping disruptions and tariff fights. Thermal coal faces downward price pressure in North America if high oil leads to more associated natural gas production, while renewables present a long-term headwind for thermal coal demand.

Risk of Lower Domestic Soda Ash Prices Ahead
Domestic soda ash prices have remained at an unusually wide premium to international spot prices due to contract timing; as 2027 contracts are negotiated, management expects this gap to close, implying lower domestic prices ahead and additional near-term pressure on margins.

Company Guidance

Management guided that, barring the unforeseen, NRP intends to "significantly increase" unitholder distributions beginning in November (after paying $0.75 per common unit in both Q1 and Q2), driven by a strengthened balance sheet (bank revolver repaid, only $14 million of debt outstanding with a final OpCo note payment due in December) and strong cash generation — Q2 consolidated free cash flow $42 million, operating cash flow $41 million, net income $25 million, and $163 million of free cash flow over the last 12 months before a $39 million Q1 soda ash investment. They highlighted the Mineral Rights segment as the primary cash engine (Q2 Mineral Rights net income $36 million and operating/free cash flow $45 million; metallurgical coal H70% of coal royalty revenues and ~45% of coal royalty sales volumes), while cautioning that the soda ash business faces headwinds (Q2 soda ash net income down $7 million, operating and free cash flow each down $5 million, no distribution this quarter versus a $5 million distribution in the prior-year quarter; global supply still exceeds demand despite announcements of roughly 4% of global capacity being idled), and distributions from Sisecam Wyoming are not expected to resume until demand and supply rebalance.

Natural Resource PRN Financial Statement Overview

Summary

Financials are strong overall: very high profitability (TTM net margin ~59%), robust operating/free cash flow generation (~$160M TTM OCF with FCF closely tracking net income), and a conservatively positioned balance sheet (debt-to-equity ~0.10; ~$650M equity vs. ~$14M debt). The main drag is weakening momentum—revenue and free cash flow have been trending lower (including -3.4% revenue and -2.8% FCF in TTM), consistent with cooling profitability versus 2022–2024 peaks.

Income Statement 74 Positive

Profitability remains a clear strength, with very high gross and net margins across the period and strong earnings conversion in the most recent TTM (Trailing-Twelve-Months) (net margin ~59%). That said, the top line has been trending down: revenue declines are shown in each of the last several periods (including -3.4% in TTM), and net income is materially lower versus prior annual peaks (2022–2024). Overall, the income statement looks strong on margin quality, but the growth trajectory is a notable headwind.

Balance Sheet 82 Very Positive

The balance sheet appears conservatively positioned today, highlighted by very low leverage in TTM (Trailing-Twelve-Months) (debt-to-equity ~0.10) and a sizeable equity base ($650M vs. $14M debt). Returns on equity are still attractive (about 19% in TTM), although they have come down from very elevated levels in 2022–2024 as profitability normalized. The main watch item is the volatility in leverage over time (e.g., much higher debt levels in 2021), but the current snapshot is clearly strong.

Cash Flow 79 Positive

Cash generation is robust, with operating cash flow of about $160M in TTM (Trailing-Twelve-Months) and free cash flow matching operating cash flow in the provided data. Cash flow quality also looks solid: free cash flow tracks net income closely (free cash flow to net income ~1.0), and operating cash flow is multiple times the company's debt (coverage ~5.8x in TTM). The weakness is momentum—free cash flow growth is negative in the most recent periods (including -2.8% in TTM), consistent with the broader revenue/profit cooling.

Breakdown	TTM	2025	2024	2023	2022	2021
Income Statement						
Total Revenue	193.62M	202.34M	245.03M	293.66M	328.08M	194.25M
Gross Profit	157.90M	164.28M	216.99M	261.34M	305.57M	175.17M
EBITDA	137.82M	159.31M	214.73M	311.03M	317.29M	166.85M
Net Income	104.56M	133.64M	183.64M	274.42M	268.49M	108.90M
Balance Sheet						
Total Assets	757.53M	748.37M	772.91M	797.88M	877.13M	953.82M
Cash, Cash Equivalents and Short-Term Investments	30.13M	30.14M	30.44M	11.99M	39.09M	135.52M
Total Debt	27.36M	33.08M	142.07M	159.36M	171.78M	433.55M
Total Liabilities	107.48M	115.85M	221.80M	219.64M	235.09M	513.89M
Stockholders Equity	650.06M	621.19M	541.56M	570.23M	636.07M	438.14M
Cash Flow						
Free Cash Flow	159.82M	165.86M	248.49M	310.97M	266.72M	121.80M
Operating Cash Flow	159.82M	165.86M	248.49M	310.98M	266.84M	121.80M
Investing Cash Flow	-35.25M	4.77M	7.51M	5.42M	2.69M	2.41M
Financing Cash Flow	-124.79M	-170.93M	-237.55M	-343.50M	-365.95M	-88.49M

Natural Resource PRN Risk Analysis

Natural Resource PRN disclosed 43 risk factors in its most recent earnings report. Natural Resource PRN reported the most risks in the "Finance & Corporate" category.

Latest Risks Added 3 New

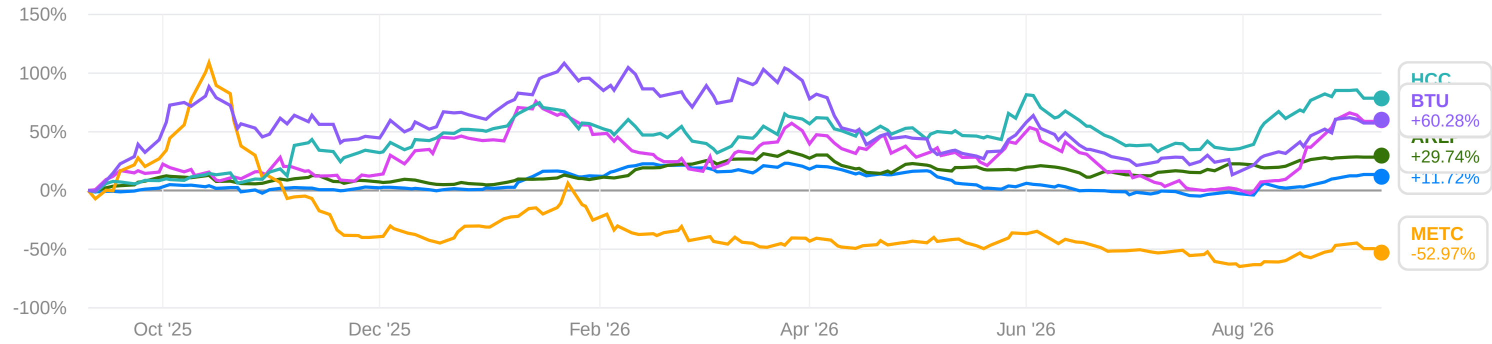
1. Sisecam Wyoming's reserve and resource data are estimates based on assumptions that may be inaccurate and are based on existing economic and operating conditions that may change in the future, which could materially and adversely affect the quantities and value of Sisecam Wyoming's reserves and resources.
   Q4, 2024
2. Changes to trade regulations, including trade restrictions, sanctions, tariffs, or duties, could significantly harm our results of operations.
   Q4, 2024
3. Global pandemics, including the COVID-19 pandemic have in the past and may continue to adversely affect our business.
   Q4, 2023

Natural Resource PRN Peers Comparison

Financial Indicators

Name	Overall Rating	Market Cap	P/E Ratio	ROE	Dividend Yield	Revenue Growth	EPS Growth
HCC Warrior Met Coal	75 Outperform	5.57B	25.08	10.02%	0.31%	37.47%	439.91%
ARLP Alliance Resource	74 Outperform	3.43B	12.99	14.82%	8.97%	-5.11%	12.73%
NRP Natural Resource PRN	72 Outperform	1.50B	14.07	16.78%	2.79%	-8.90%	-26.60%
BTU Peabody Energy Comm	60 Neutral	3.59B	-19.52	-5.29%	1.02%	-0.68%	-233.93%
AMR Alpha Metallurgical Resources	51 Neutral	2.84B	-63.21	-2.99%	2.62%	-12.92%	-25.84%
METC Ramaco Resources	40 Underperform	724.67M	-10.41	-13.54%	5.32%	-17.65%	-157.95%

** energy Sector Average*



NRP (+11.72%) ARLP (+29.74%) AMR (+59.90%) METC (-52.97%) HCC (+78.49%) BTU (+60.28%)

Ticker	Company Name	Price	Change	% Change
HCC	Warrior Met Coal	101.65	-2.70	-2.59%%
ARLP	Alliance Resource	26.87	0.10	0.37%%
NRP	Natural Resource PRN	110.19	-1.54	-1.38%%
BTU	Peabody Energy Comm	29.03	-0.33	-1.12%%
AMR	Alpha Metallurgical Resources	217.73	-9.21	-4.06%%
METC	Ramaco Resources	11.45	-0.83	-6.76%%

Glossary

Buy

A stock rated as a "Buy" is expected to perform better than the overall market or a specific benchmark over the near-to-medium term. This rating suggests the stock is likely to deliver higher returns compared to other stocks in the same sector or market index. Note: This is not investment advice; please consult a financial advisor before making investment decisions.

Hold

A stock rated as a "Hold" is expected to perform in line with the overall market or a specific benchmark. This rating indicates that the stock is neither particularly compelling nor unfavorable for investment. Note: This is not investment advice; please consult a financial advisor before making investment decisions.

Sell

A stock rated as a "Sell" is expected to perform worse than the overall market or a specific benchmark over the near-to-medium term. This rating suggests the stock may deliver lower returns compared to other stocks in the same sector or market index. Note: This is not investment advice; please consult a financial advisor before making investment decisions.

Disclaimer