Capital Product Partners L.P. (CPLP) 8/19/09

CPLP owns and operates doubled hull medium-range production tankers worldwide. The company provides marine transportation services for medium to long term charters or bareboat charters. Its tankers are capable of carrying crude and refined oil products including; gasoline, diesel, fuel oil, and jet fuel, as well as chemicals. CPLP is a general partner of Capital Product Partners which was founded in 2003 and headquartered in Piraeus, Greece.

Current Price	$7,86
52 Week High	$16,33
52 Week Low	$5,21
One Yr Target	n/a
Market Cap (in billions)	$0,20
P/E (Trailing)	4,39
P/E(1 Yr Forward)	n/a
P/E/G	n/a
ROA	7,00%
ROE	7,08%
EPS	$1,79
Beta	1,03
Annualized Dividend	$1,64
Dividend Yield	20,87%
Analyst Consensus	n/a

Annual EPS

2005	$0,05	
2006	$0,00	-98,00%
2007	$0,95	n/a
2008	$2,00	110,53%
2009E	$1,79	-10,48%

Annual Revenue (in millions)

2005	$4,38	
2006	$24,61	461,87%
2007	$86,55	251,69%
2008	$131,51	51,95%

Annual Net Income (in millions)

2005	$0,97	
2006	$0,00	-100,00%
2007	$21,57	n/a
2008	$50,77	135,37%

Required Rate of Return

10,56%

Dividend Growth Model

Present Value of 2013 Price	$21,20
Holding Period Return (5 years)	47,48%

Expected Annualized Return Model

Present Value of 2013 Price	$13,56
Holding Period Return (5 years)	13,32%

Residual Income Model

Intrinsic Stock Price	$8,38

Analysis

Positives

Fantastic dividend yield, and for a nice value at such a low P/E ratio

Nice ability to keep increasing revenues and profits in a down economy

Undervalued according to all three valuation models

Negatives

For the year 2006 the company showed no profits at all

Company has done far worse than the S&P500 since beginning of 2009

Financial Statements

Nice Balance Sheet numbers, but somewhat volatile since it is a smaller company

Income Statement is good with big gains in revenues and profits in the past couple of years

Cash Flows show nice steady increase across all four years

Industry Analysis

Average size for a company in the industry

Has better than average ratios across the board

Summary

There isin't much to dislike about CPLP. It is a newer company which seems to have much upside and is well run, which translates to it being stable. It provides a fantastic dividend yield and is undervalued by all three valuation models, and the DG model significantly. Management seems to be doing a great job, though they are subject to different rules as a foreign company, which is something to watch. Overall CPLP earns a **buy** rating, with all ratios and models saying it is undervalued. Also if the price declines at all, it is still going to have a nice dividend payout which is a safe investment in case the company does not appreciate.