

# ModernGraham Valuation

## Company Name:

Company Ticker MNST

Date of Analysis

10/6/2015

Monster Beverage Corporation



## 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	\$27,766,953,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	7.97	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	232.96%	Pass
5. Earnings Growth	PEmg < 20	70.58	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.03	Fail
7. Moderate Price to Assets			

*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	7.97	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.91
MG Growth Estimate	9.70%
<b>MG Value</b>	<b>\$53.23</b>
MG Value based on 3% Growth	\$27.68
MG Value based on 0% Growth	\$16.22
Market Implied Growth Rate	31.04%

### MG Opinion

Current Price	\$134.72
% of Intrinsic Value	253.07%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

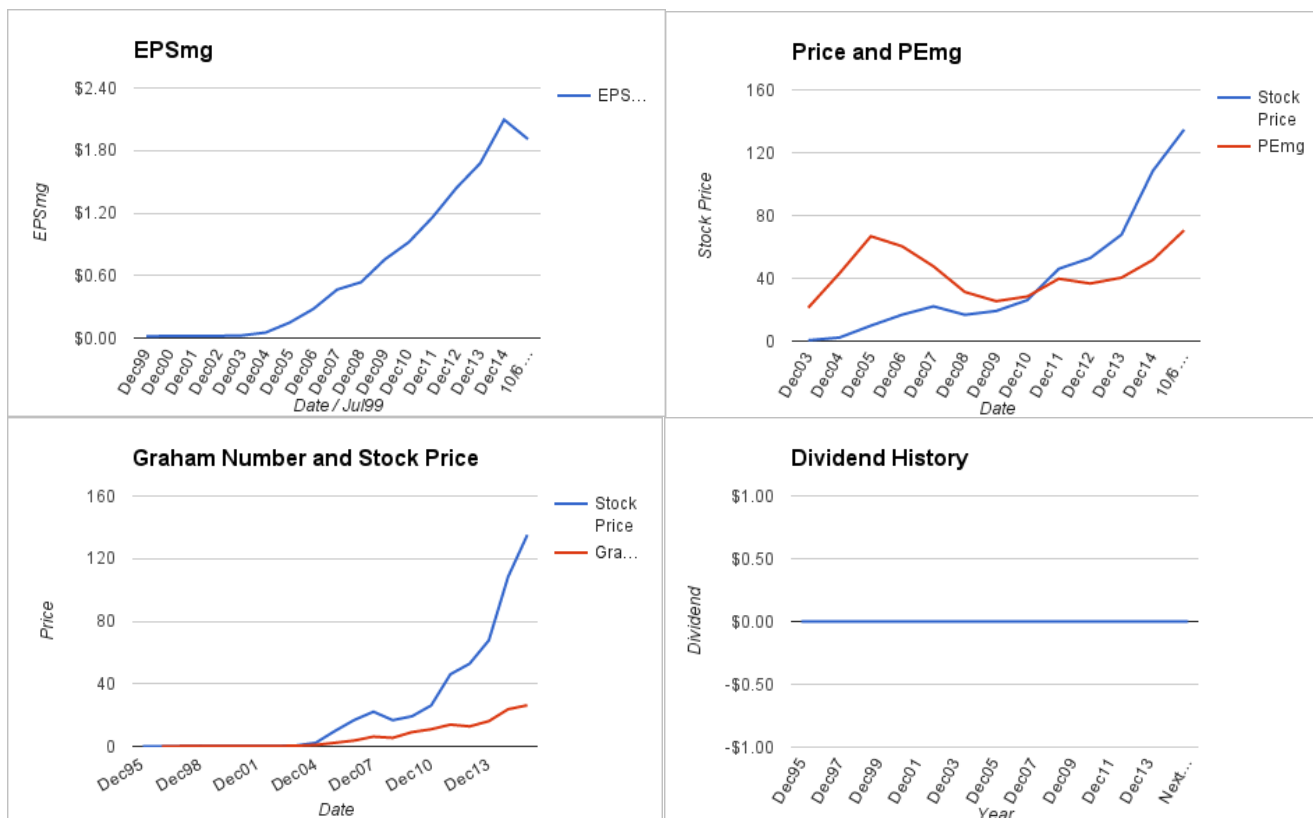
Net Current Asset Value (NCAV)	\$16.46
Graham Number	\$26.27
PEmg	70.58
Current Ratio	7.97
PB Ratio	5.03
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.29	Next Fiscal Year Estimate	\$1.91
Dec14	\$2.77	Dec14	\$2.10
Dec13	\$1.95	Dec13	\$1.68
Dec12	\$1.86	Dec12	\$1.44
Dec11	\$1.53	Dec11	\$1.16
Dec10	\$1.14	Dec10	\$0.92
Dec09	\$1.11	Dec09	\$0.76
Dec08	\$0.56	Dec08	\$0.54
Dec07	\$0.76	Dec07	\$0.47
Dec06	\$0.50	Dec06	\$0.28
Dec05	\$0.33	Dec05	\$0.15
Dec04	\$0.11	Dec04	\$0.05
Dec03	\$0.03	Dec03	\$0.02
Dec02	\$0.02	Dec02	\$0.02
Dec01	\$0.02	Dec01	\$0.02
Dec00	\$0.02	Dec00	\$0.02
Dec99	\$0.03	Dec99	\$0.02
Dec98	\$0.02	<b>Balance Sheet Information Jun15</b>	
Dec97	\$0.01	Total Current Assets	\$3,922,379,000
Dec96	\$0.00	Total Current Liabilities	\$491,927,000
Dec95	-\$0.01	Long-Term Debt	\$0
		Total Assets	\$5,791,581,000
		Intangible Assets	\$1,715,943,000
		Total Liabilities	\$936,761,000
		Shares Outstanding (Diluted Average)	181,417,000





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.

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posts about the  
company

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<http://www.moderngraham.com/2015/03/26/monster-beverage-corporation-quarterly-valuation-march-2015-mnst/>

<http://www.moderngraham.com/2014/12/21/27-companies-in-the-spotlight-this-week-122014/>

<http://www.moderngraham.com/2014/12/17/monster-beverage-corporation-quarterly-valuation-december-2014-mnst/>

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[Hormel Foods Corporation Analysis – September 2015 Update \\$HRL](#)

[Dr Pepper Snapple Group Inc Analysis – September 2015 Update \\$DPS](#)

[Sysco Corporation Analysis – September 2015 Update \\$SYY](#)

[Coca-Cola Enterprises Inc. Analysis – September 2015 Update \\$CCE](#)

[Mead Johnson Nutrition Analysis – August 2015 Update \\$MJN](#)

[McCormick & Company Inc. Analysis – August 2015 Update \\$MKC](#)

[ConAgra Foods Inc. Analysis – August 2015 Update \\$CAG](#)

[Archer Daniels Midland Company Analysis – 2015 Update \\$ADM](#)

[J.M. Smucker Company Analysis – July 2015 Update \\$SJM](#)