

ModernGraham Valuation

Company Name:

Company Ticker TAP
Date of Analysis 11/6/2015

Molson Coors
Brewing Company



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	\$15,980,084,797	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.63	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	19.83%	Fail
6. Moderate PEmg Ratio	PEmg < 20	31.85	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.12	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	0.63	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.64	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

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.71
MG Growth Estimate	-3.19%
MG Value	\$5.73
MG Value based on 3% Growth	\$39.33
MG Value based on 0% Growth	\$23.06
Market Implied Growth Rate	11.68%

MG Opinion

Current Price	\$86.41
% of Intrinsic Value	1508.81%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$23.13
Graham Number	\$46.83
PEmg	31.85
Current Ratio	0.63
PB Ratio	2.12
Dividend Yield	1.81%
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	\$2.38	Next Fiscal Year Estimate	\$2.71
Dec14	\$2.76	Dec14	\$2.97
Dec13	\$3.08	Dec13	\$3.17
Dec12	\$2.44	Dec12	\$3.19
Dec11	\$3.63	Dec11	\$3.45
Dec10	\$3.78	Dec10	\$3.20
Dec09	\$3.87	Dec09	\$2.72
Dec08	\$2.04	Dec08	\$2.11
Dec07	\$2.74	Dec07	\$2.14
Dec06	\$2.08	Dec06	\$1.90
Dec05	\$0.84	Dec05	\$1.86
Dec04	\$2.60	Dec04	\$2.26
Dec03	\$2.39	Dec03	\$1.99
Dec02	\$2.21	Dec02	\$1.70
Dec01	\$1.66	Dec01	\$1.38
Dec00	\$1.47	Dec00	\$1.18
Dec99	\$1.23	Dec99	\$0.98
Dec98	\$0.91	Balance Sheet Information Jun15	
Dec97	\$1.08	Total Current Assets	\$1,476,200,000
Dec96	\$0.57	Total Current Liabilities	\$2,349,500,000
Dec95	\$0.57	Long-Term Debt	\$2,305,200,000
		Total Assets	\$13,397,200,000
		Intangible Assets	\$7,488,600,000
		Total Liabilities	\$5,790,100,000
		Shares Outstanding (Diluted Average)	186,500,000





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

- [30 Companies in the Spotlight This Week – 11/15/14](#)
- [Molson Coors Brewing Company Annual Valuation – 2014 \\$TAP](#)
- [19 Companies in the Spotlight This Week – 8/9/14](#)
- [Molson Coors Brewing Company Quarterly Valuation – August 2014 \\$TAP](#)
- [17 Companies in the Spotlight This Week – 5/10/14](#)

Other ModernGraham posts about related companies

- [Brown-Forman Corporation Analysis – September 2015 Update \\$BF/B](#)
- [Brown-Forman Corporation Analysis – June 2015 Update \\$BF.B](#)
- [Philip Morris International Annual Valuation – 2015 \\$PM](#)
- [Brown-Forman Corporation Quarterly Valuation – March 2015 \\$BF.B](#)
- [Lorillard Inc. Quarterly Valuation – March 2015 \\$LO](#)
- [Reynolds American Inc. Annual Valuation – 2015 \\$RAI](#)
- [Altria Group Inc. Annual Valuation – 2015 \\$MO](#)
- [Brown-Forman Corporation Quarterly Valuation – December 2014 \\$BF.B](#)
- [Constellation Brands Inc. Annual Valuation – 2014 \\$STZ](#)
- [Lorillard Inc. Quarterly Valuation – December 2014 \\$LO](#)