

ModernGraham Valuation

Company Name:

Company Ticker MNST
Date of Analysis

Monster Beverage Corporation

1/25/2016



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	\$29,224,403,500	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	7.43	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	323.27%	Pass
6. Moderate PEmg Ratio	PEmg < 20	57.13	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.26	Fail

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	7.43	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.45
MG Growth Estimate	15.00%
MG Value	\$94.40
MG Value based on 3% Growth	\$35.55
MG Value based on 0% Growth	\$20.84
Market Implied Growth Rate	24.32%

MG Opinion

Current Price	\$140.09
% of Intrinsic Value	148.40%
Opinion	Overvalued

Stage 3: Information for Further Research

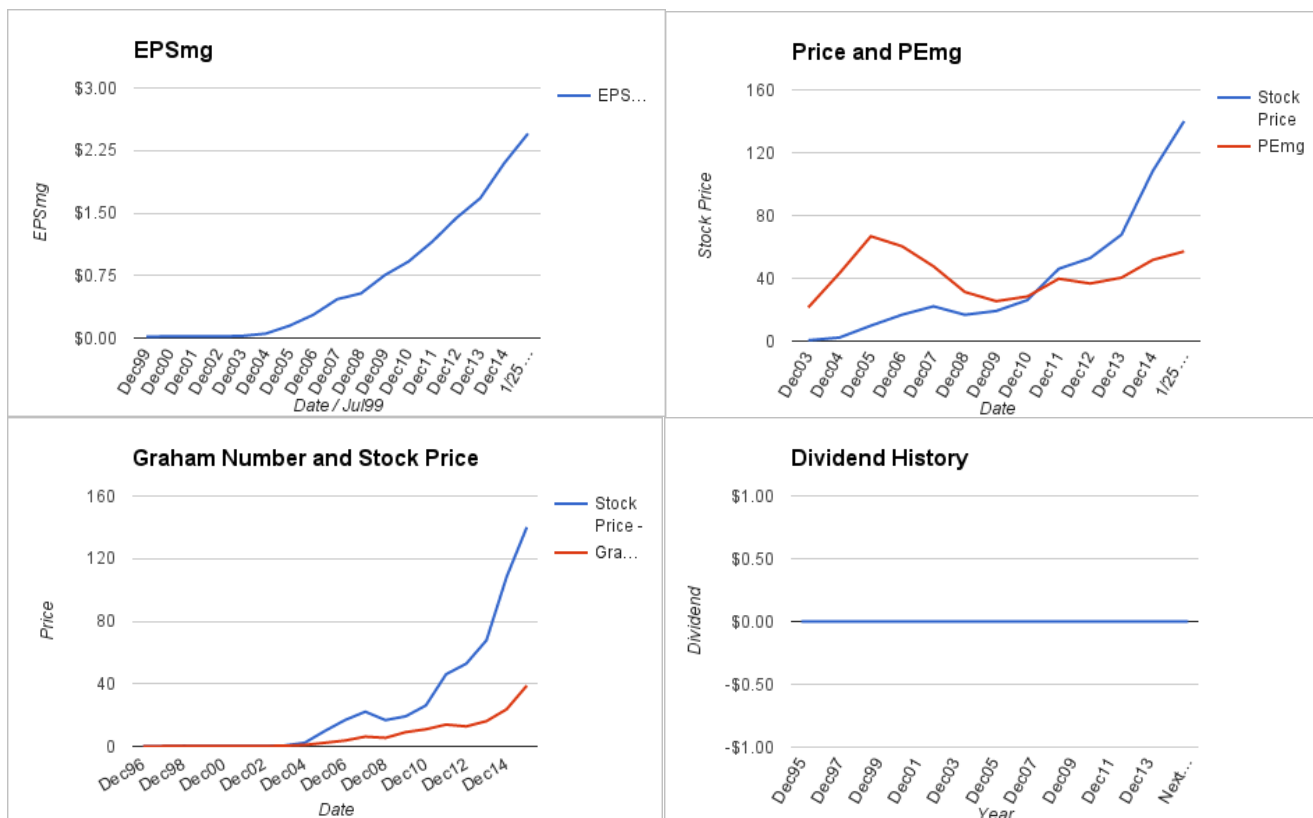
Net Current Asset Value (NCAV)	\$13.46
Graham Number	\$38.84
PEmg	57.13
Current Ratio	7.43
PB Ratio	6.26
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$2.92	Next Fiscal Year Estimate	\$2.45
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	<div> <div>Balance Sheet Information</div> <div>Sep15</div> <div> <div>Total Current Assets</div> <div>\$3,750,647,000</div> </div> <div> <div>Total Current Liabilities</div> <div>\$504,606,000</div> </div> <div> <div>Long-Term Debt</div> <div>\$0</div> </div> <div> <div>Total Assets</div> <div>\$5,603,738,000</div> </div> <div> <div>Intangible Assets</div> <div>\$1,715,978,000</div> </div> <div> <div>Total Liabilities</div> <div>\$949,181,000</div> </div> <div> <div>Shares Outstanding (Diluted Average)</div> <div>208,094,000</div> </div> </div>	
Dec97	\$0.01		
Dec96	\$0.00		
Dec95	\$0.00		





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

[Monster Beverage Corporation Analysis – October 2015 Update \\$MNST](#)
[Monster Beverage Analysis – July 2015 Update \\$MNST](#)
[24 Companies in the Spotlight This Week – 3/28/15](#)
[Monster Beverage Corporation Quarterly Valuation – March 2015 \\$MNST](#)
[27 Companies in the Spotlight This Week – 12/20/14](#)

Other
ModernGraham
posts about related
companies

[Mead Johnson Nutrition Co Valuation – November 2015 Update \\$MJN](#)
[Archer Daniels Midland Valuation – November 2015 Update \\$ADM](#)
[The Best Companies of the Food Processing Industry – October 2015](#)
[J.M. Smucker Company Valuation – October 2015 Update \\$SJM](#)
[Keurig Green Mountain Inc. Valuation – October 2015 Update \\$GMCR](#)
[Monster Beverage Corporation Analysis – October 2015 Update \\$MNST](#)
[B&G Foods Inc. Analysis – September 2015 Update \\$BGS](#)
[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](#)