

# ModernGraham Valuation

## Company Name:

Company Ticker MNST

Date of Analysis

7/27/2016

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	\$32,206,626,900	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	7.02	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	285.51%	Pass
5. Earnings Growth	PEmg < 20	53.78	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.53	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	7.02	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	\$2.93
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$112.75</b>
MG Value based on 3% Growth	\$42.47
MG Value based on 0% Growth	\$24.89
Market Implied Growth Rate	22.64%

### MG Opinion

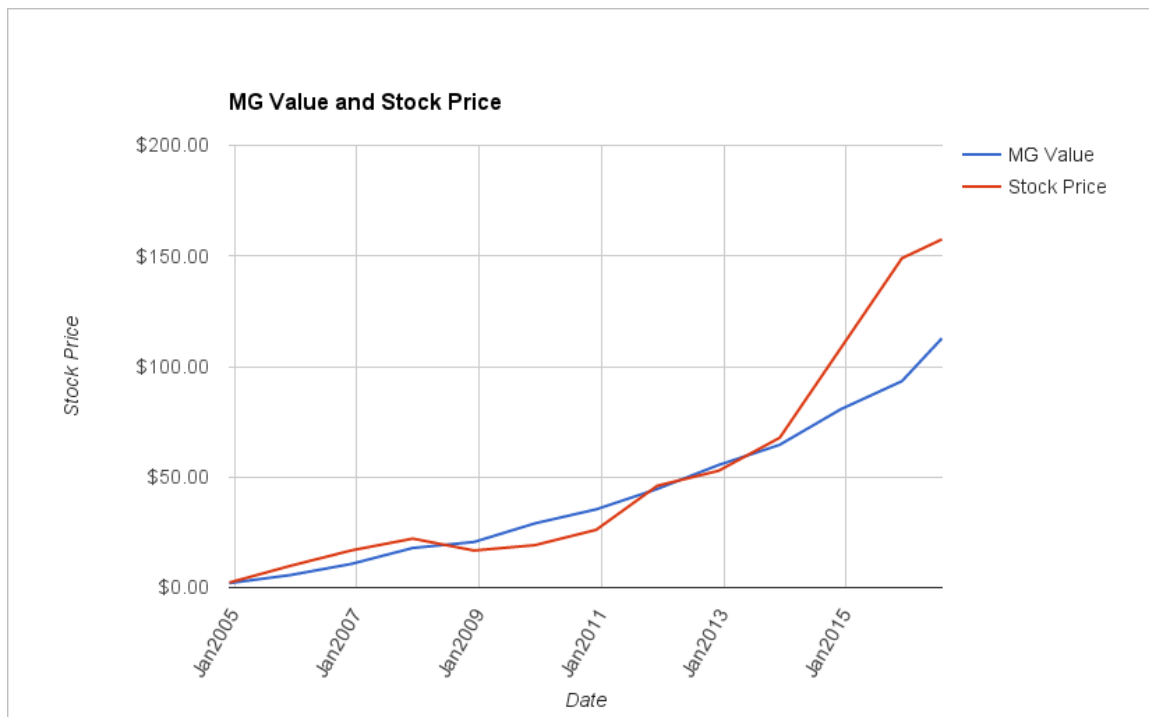
Current Price	\$157.51
% of Intrinsic Value	139.69%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$14.02
Graham Number	\$45.24
PEmg	53.78
Current Ratio	7.02
PB Ratio	6.53
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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[Google Finance](#) [MSN Money](#)  
[Yahoo Finance](#) [Seeking Alpha](#)  
[GuruFocus](#) [SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.70	Next Fiscal Year Estimate	\$2.93
Dec2015	\$2.84	Dec2015	\$2.43
Dec2014	\$2.77	Dec2014	\$2.10
Dec2013	\$1.95	Dec2013	\$1.68
Dec2012	\$1.86	Dec2012	\$1.44
Dec2011	\$1.53	Dec2011	\$1.16
Dec2010	\$1.14	Dec2010	\$0.92
Dec2009	\$1.11	Dec2009	\$0.75
Dec2008	\$0.56	Dec2008	\$0.54
Dec2007	\$0.76	Dec2007	\$0.47
Dec2006	\$0.50	Dec2006	\$0.28
Dec2005	\$0.32	Dec2005	\$0.15
Dec2004	\$0.11	Dec2004	\$0.05
Dec2003	\$0.03	Dec2003	\$0.02
Dec2002	\$0.02	Dec2002	\$0.02
Dec2001	\$0.02	Dec2001	\$0.02
Dec2000	\$0.02	Dec2000	\$0.02
Dec1999	\$0.03	<b>Balance Sheet Information 3/1/2016</b>	
Dec1998	\$0.02	Total Current Assets	\$3,792,872,000
Dec1997	\$0.01	Total Current Liabilities	\$540,655,000
Dec1996	\$0.00	Long-Term Debt	\$0
		Total Assets	\$5,883,484,000
		Intangible Assets	\$1,708,293,000
		Total Liabilities	\$891,638,000
		Shares Outstanding (Diluted Average)	206,908,000





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

[Monster Beverage Corp Valuation – January 2016 Update \\$MNST](#)  
[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](#)

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ModernGraham  
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[Campbell Soup Company Valuation – July 2016 \\$CPB](#)  
[Kellogg Company Valuation – July 2016 \\$K](#)  
[Hershey Co Valuation – July 2016 \\$HSY](#)  
[PepsiCo Inc Valuation – July 2016 \\$PEP](#)  
[Mead Johnson Nutrition Valuation – June 2016 \\$MJN](#)  
[B&G Foods Inc Valuation – March 2016 \\$BGS](#)  
[Hormel Foods Corp Stock Valuation – February 2016 \\$HRL](#)  
[J.M. Smucker Co Valuation – February 2016 \\$SJM](#)  
[Archer-Daniels Midland Co Valuation – February 2016 \\$ADM](#)  
[Keurig Green Mountain Inc Valuation – January 2016 Update \\$GMCR](#)