

ModernGraham Valuation

Coca-Cola European
Partners plc Ordinary
Shares



Company Name:

Company Ticker CCE

Date of Analysis

1/13/2017

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	\$15,574,185,400	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.06	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-228.96%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	13.66	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.15	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	1.06	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	29.73	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.35
MG Growth Estimate	10.71%
MG Value	\$70.43
MG Value based on 3% Growth	\$34.13
MG Value based on 0% Growth	\$20.01
Market Implied Growth Rate	2.58%

MG Opinion

Current Price	\$32.15
% of Intrinsic Value	45.65%
Opinion	Undervalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$19.33
Graham Number	\$26.21
PEmg	13.66
Current Ratio	1.06
PB Ratio	2.15
Current Dividend	\$1.09
Dividend Yield	3.38%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.02	Next Fiscal Year Estimate	\$2.35
Dec2015	\$2.53	Dec2015	\$2.49
Dec2014	\$2.67	Dec2014	\$2.41
Dec2013	\$2.42	Dec2013	\$2.23
Dec2012	\$2.23	Dec2012	\$1.37
Dec2011	\$2.33	Dec2011	\$0.53
Dec2010	\$1.82	Dec2010	-\$0.66
Dec2009	\$1.73	Dec2009	-\$1.72
Dec2008	-\$8.79	Dec2008	-\$2.79
Dec2007	\$1.46	Dec2007	\$0.32
Dec2006	-\$2.41	Dec2006	-\$0.01
Dec2005	\$1.08	Dec2005	\$1.07
Dec2004	\$1.25	Dec2004	\$0.94
Dec2003	\$1.43	Dec2003	\$0.68
Dec2002	\$1.04	Dec2002	\$0.29
Dec2001	-\$0.75	Dec2001	-\$0.02
Dec2000	\$0.52	Dec2000	\$0.34
Dec1999	\$0.13	Balance Sheet Information 9/1/2016	
Dec1998	\$0.32	Total Current Assets	\$4,030,303,000
Dec1997	\$0.42	Total Current Liabilities	\$3,803,591,000
Dec1996	\$0.24	Long-Term Debt	\$6,740,741,000
		Total Assets	\$20,753,086,000
		Intangible Assets	\$11,876,543,000
		Total Liabilities	\$13,461,279,000
		Shares Outstanding (Diluted Average)	488,000,000





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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company

- [Coca-Cola Enterprises Inc. Analysis – September 2015 Update \\$CCE](#)
- [14 Companies in the Spotlight This Week – 4/5/14](#)
- [Coca-Cola Enterprises Inc. \(CCE\) Annual Valuation – 2014](#)

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- [Seneca Foods Corp Valuation – Initial Coverage \\$SENEA](#)
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- [Best Stocks to Invest In: the Food Processing Industry – August 2016](#)
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