

ModernGraham Valuation

Company Name:

Company Ticker TAP

Date of Analysis

2/20/2017

Molson Coors
Brewing Co



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	\$22,238,569,323	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.69	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	76.88%	Pass
6. Moderate PEmg Ratio	PEmg < 20	18.77	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.90	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	0.69	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-11.53	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.41
MG Growth Estimate	10.65%
MG Value	\$161.24
MG Value based on 3% Growth	\$78.47
MG Value based on 0% Growth	\$46.00
Market Implied Growth Rate	5.14%

MG Opinion

Current Price	\$101.59
% of Intrinsic Value	63.01%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$73.82
Graham Number	\$84.34
PEmg	18.77
Current Ratio	0.69
PB Ratio	1.90
Current Dividend	\$1.64
Dividend Yield	1.61%
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	\$5.95	Next Fiscal Year Estimate	\$5.41
Dec2016	\$9.26	Dec2016	\$4.73
Dec2015	\$1.93	Dec2015	\$2.56
Dec2014	\$2.76	Dec2014	\$2.97
Dec2013	\$3.08	Dec2013	\$3.17
Dec2012	\$2.44	Dec2012	\$3.19
Dec2011	\$3.63	Dec2011	\$3.44
Dec2010	\$3.78	Dec2010	\$3.20
Dec2009	\$3.87	Dec2009	\$2.71
Dec2008	\$2.04	Dec2008	\$2.10
Dec2007	\$2.71	Dec2007	\$2.13
Dec2006	\$2.08	Dec2006	\$1.90
Dec2005	\$0.84	Dec2005	\$1.85
Dec2004	\$2.60	Dec2004	\$2.26
Dec2003	\$2.39	Dec2003	\$1.99
Dec2002	\$2.21	Dec2002	\$1.70
Dec2001	\$1.66	Dec2001	\$1.38
Dec2000	\$1.47	Balance Sheet Information	12/1/2016
Dec1999	\$1.23	Total Current Assets	\$2,169,600,000
Dec1998	\$0.91	Total Current Liabilities	\$3,157,500,000
Dec1997	\$1.08	Long-Term Debt	\$11,387,700,000
		Total Assets	\$29,341,500,000
		Intangible Assets	\$22,282,000,000
		Total Liabilities	\$17,922,800,000
		Shares Outstanding (Diluted Average)	213,400,000





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

- [5 Speculative and Overvalued Companies to Avoid – November 2015](#)
- [Molson Coors Brewing Co. Valuation – November 2015 Update \\$TAP](#)
- [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](#)

Other
ModernGraham
posts about related
companies

- [Constellation Brands Inc Valuation – February 2017 \\$STZ](#)
- [Brown-Forman Corporation – February 2017 \\$BF.B](#)
- [Boston Beer Company Inc Valuation – Initial Coverage \\$SAM](#)
- [Constellation Brands Inc Valuation – August 2016 \\$STZ](#)
- [Reynolds American Inc Valuation – July 2016 \\$RAI](#)
- [Philip Morris International Inc Valuation – June 2016 \\$PM](#)
- [Altria Group Inc Valuation – June 2016 \\$MO](#)
- [Constellation Brands Inc Valuation – January 2016 Update \\$STZ](#)
- [Molson Coors Brewing Co. Valuation – November 2015 Update \\$TAP](#)
- [Brown-Forman Corporation Analysis – September 2015 Update \\$BF/B](#)