

ModernGraham Valuation

Company Name:

Company Ticker TAP
Date of Analysis

Molson Coors
Brewing Co

3/12/2018



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	\$17,523,092,388	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.64	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	85.46%	Pass
5. Earnings Growth	PEmg < 20	14.06	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.33	Pass
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	0.64	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-8.76	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 Score		Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.76
MG Growth Estimate	14.13%
MG Value	\$211.75
MG Value based on 3% Growth	\$83.51
MG Value based on 0% Growth	\$48.95
Market Implied Growth Rate	2.78%

MG Opinion

Current Price	\$80.96
% of Intrinsic Value	38.23%
Opinion	Undervalued
MG Grade	A

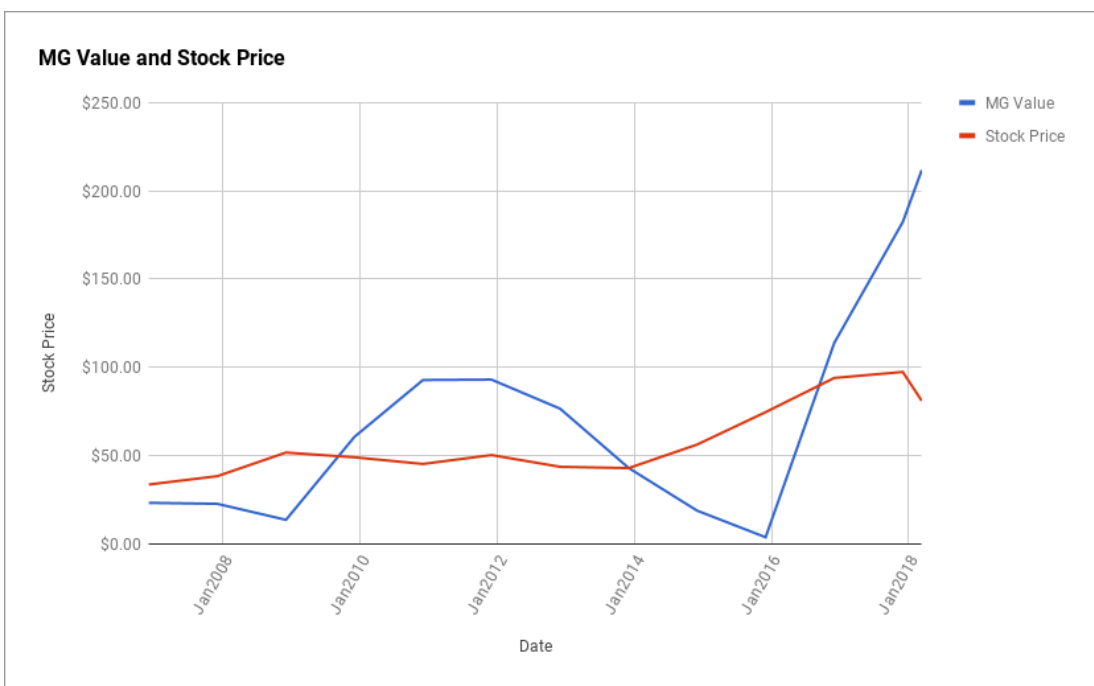
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$68.50
Graham Number	\$83.53
PEmg	14.06
Current Ratio	0.64
PB Ratio	1.33
Current Dividend	\$1.64
Dividend Yield	2.03%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.05	Next Fiscal Year Estimate	\$5.76
Dec2017	\$6.53	Dec2017	\$5.66
Dec2016	\$9.34	Dec2016	\$4.80
Dec2015	\$2.12	Dec2015	\$2.63
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	Balance Sheet Information 12/1/2017	
Dec2000	\$1.47	Total Current Assets	\$2,189,700,000
Dec1999	\$1.23	Total Current Liabilities	\$3,399,300,000
Dec1998	\$0.91	Long-Term Debt	\$10,598,700,000
		Total Assets	\$30,246,900,000
		Intangible Assets	\$22,702,000,000
		Total Liabilities	\$17,020,800,000
		Shares Outstanding (Diluted Average)	216,500,000





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

- [5 Best Stocks for Value Investors This Week – 2/25/17](#)
- [Molson Coors Brewing Co Valuation – Initial Coverage \\$TAP](#)
- [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](#)

Other ModernGraham posts about related companies

- [Molson Coors Brewing Co Valuation – Initial Coverage \\$TAP](#)
- [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](#)