

ModernGraham Valuation

Company Name:

Company Ticker CCE

Date of Analysis

7/30/2018

Coca-Cola European
Partners PLC



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	\$20,154,999,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.03	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	-8.65%	Fail
5. Earnings Growth	PEmg < 20	21.18	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.49	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	1.03	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	58.58	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.95
MG Growth Estimate	-2.32%
MG Value	\$7.52
MG Value based on 3% Growth	\$28.33
MG Value based on 0% Growth	\$16.61
Market Implied Growth Rate	6.34%

MG Opinion

Current Price	\$41.39
% of Intrinsic Value	550.18%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$20.27
Graham Number	\$28.43
PEmg	21.18
Current Ratio	1.03
PB Ratio	2.49
Current Dividend	\$0.99
Dividend Yield	2.40%
Number of Consecutive Years of Dividend Growth	1

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.20	Next Fiscal Year Estimate	\$1.95
Dec2017	\$1.67	Dec2017	\$1.91
Dec2016	\$1.50	Dec2016	\$2.08
Dec2015	\$2.39	Dec2015	\$2.36
Dec2014	\$2.37	Dec2014	\$2.31
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	Balance Sheet Information 3/1/2018	
Dec2000	\$0.52	Total Current Assets	\$4,130,703,000
Dec1999	\$0.13	Total Current Liabilities	\$4,016,030,000
Dec1998	\$0.32	Long-Term Debt	\$6,717,633,000
		Total Assets	\$22,419,236,000
		Intangible Assets	\$13,452,528,000
		Total Liabilities	\$14,184,957,000
		Shares Outstanding (Diluted Average)	496,000,000





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.

Recommended Reading:

Other ModernGraham posts about the company

- [Coca-Cola European Partners PLC Valuation – January 2017 \\$CCE](#)
- [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](#)

Other ModernGraham posts about related companies

- [Saputo Inc Valuation – July 2018 \\$TSE-SAP](#)
- [Ingredion Inc Valuation – July 2018 \\$INGR](#)
- [B&G Foods Inc Valuation – July 2018 \\$BGS](#)
- [Tyson Foods Inc Valuation – June 2018 \\$TSN](#)
- [Mondelez International Inc Valuation – June 2018 \\$MDLZ](#)
- [Hormel Foods Corp Valuation – June 2018 \\$HRL](#)
- [J.M. Smucker Co Valuation – May 2018 \\$SJM](#)
- [Kraft Heinz Co Valuation – May 2018 \\$KHC](#)
- [Dr Pepper Snapple Group Inc Valuation – May 2018 \\$DPS](#)
- [Sysco Corp Valuation – May 2018 \\$SYY](#)