ModernGraham Valuation

Company Name:

Coca-Cola European Partners PLC



Company Ticker CCE

Date of Analysis 7/30/2018

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.

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		
5. Earnings Growth	beginning and end	-8.65%	Fail
Moderate PEmg Ratio	PEmg < 20	21.18	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.49	Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

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	

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

Morningstar

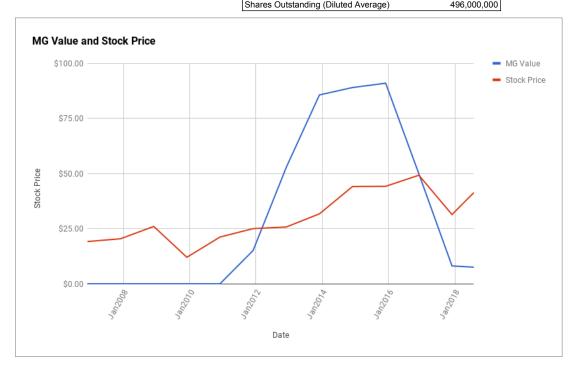
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 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year		Next Fire at Very Fatiensts	04.05
Estimate	•	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

 $\underline{\text{14 Companies in the Spotlight This Week} - 4/5/14}$

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

<u>Hormel Foods Corp Valuation – June 2018 \$HRL</u>

J M Smucker Co Valuation – May 2018 \$SJM

Kraft Heinz Co Valuation - May 2018 \$KHC

<u>Dr Pepper Snapple Group Inc Valuation – May 2018 \$DPS</u>

Sysco Corp Valuation - May 2018 \$SYY