

ModernGraham Valuation

Company Name:

Company Ticker SAM

Date of Analysis

Boston Beer
Company Inc

7/8/2018



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	\$3,519,063,712	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.75	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	106.76%	Pass
5. Earnings Growth	PEmg < 20	42.01	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	8.20	Fail
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	1.75	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$7.20
MG Growth Estimate	5.14%
MG Value	\$135.34
MG Value based on 3% Growth	\$104.47
MG Value based on 0% Growth	\$61.24
Market Implied Growth Rate	16.75%

MG Opinion

Current Price	\$302.65
% of Intrinsic Value	223.63%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.70
Graham Number	\$74.84
PEmg	42.01
Current Ratio	1.75
PB Ratio	8.20
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

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Google Finance	MSN Money
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GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.83	Next Fiscal Year Estimate	\$7.20
Dec2017	\$8.09	Dec2017	\$7.19
Dec2016	\$6.79	Dec2016	\$6.52
Dec2015	\$7.25	Dec2015	\$6.14
Dec2014	\$6.69	Dec2014	\$5.37
Dec2013	\$5.18	Dec2013	\$4.47
Dec2012	\$4.39	Dec2012	\$3.78
Dec2011	\$4.81	Dec2011	\$3.15
Dec2010	\$3.52	Dec2010	\$2.15
Dec2009	\$2.17	Dec2009	\$1.42
Dec2008	\$0.56	Dec2008	\$1.05
Dec2007	\$1.53	Dec2007	\$1.22
Dec2006	\$1.27	Dec2006	\$1.01
Dec2005	\$1.07	Dec2005	\$0.83
Dec2004	\$0.86	Dec2004	\$0.68
Dec2003	\$0.70	Dec2003	\$0.58
Dec2002	\$0.52	Dec2002	\$0.52
Dec2001	\$0.47	Balance Sheet Information 3/1/2018	
Dec2000	\$0.62	Total Current Assets	\$174,903,000
Dec1999	\$0.54	Total Current Liabilities	\$99,923,000
Dec1998	\$0.39	Long-Term Debt	\$0
		Total Assets	\$579,887,000
		Intangible Assets	\$3,683,000
		Total Liabilities	\$142,961,000
		Shares Outstanding (Diluted Average)	11,831,000





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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