ModernGraham Valuation

Company Name:

Boston Beer Company Inc



Company Ticker SAM
Date of Analysis

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.

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
Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	106.76% Pass
6. Moderate PEmg Ratio	PEmg < 20	42.01 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	8.20 Fail

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	1.75 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	

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	

Morningstar

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Growth

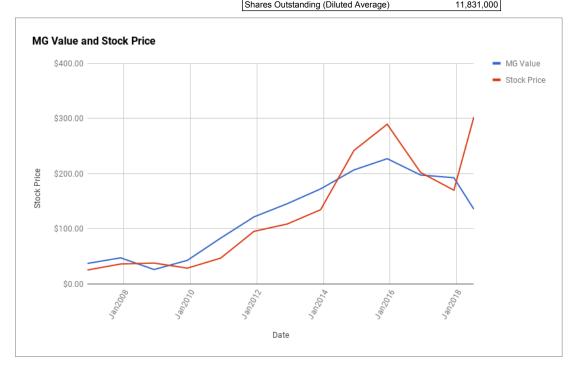
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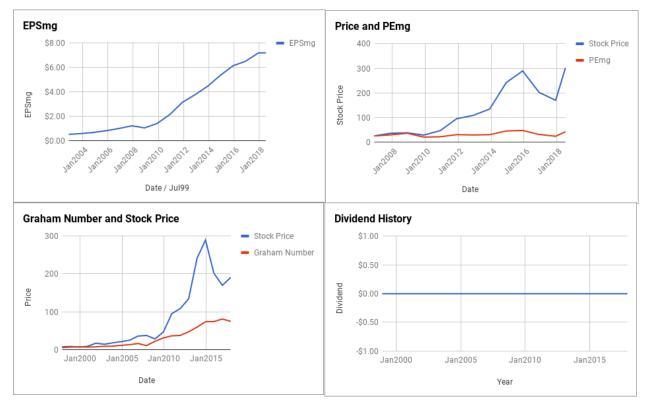
 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	¢6 92	Next Fiscal Year Estimate	\$7.20

Dec2017	\$8.09		\$7.19
Dec2016	\$6.79		\$6.52
Dec2015	\$7.25		\$6.14
Dec2014	\$6.69		\$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	\$1.0
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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