

ModernGraham Valuation

Company Name:

The Coca-Cola Co

Company Ticker KO

Date of Analysis

11/11/2018



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	\$211,463,580,950	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.06	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	-36.01%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	36.58	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	10.57	Fail

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	1.06	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	12.87	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	\$1.36
MG Growth Estimate	-3.99%
MG Value	\$0.72
MG Value based on 3% Growth	\$19.69
MG Value based on 0% Growth	\$11.54
Market Implied Growth Rate	14.04%

MG Opinion

Current Price	\$49.68
% of Intrinsic Value	6908.23%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

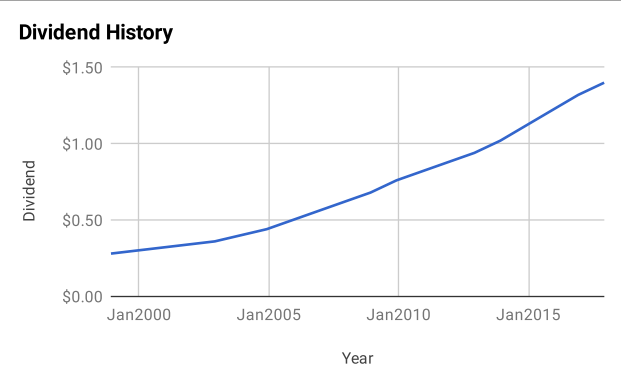
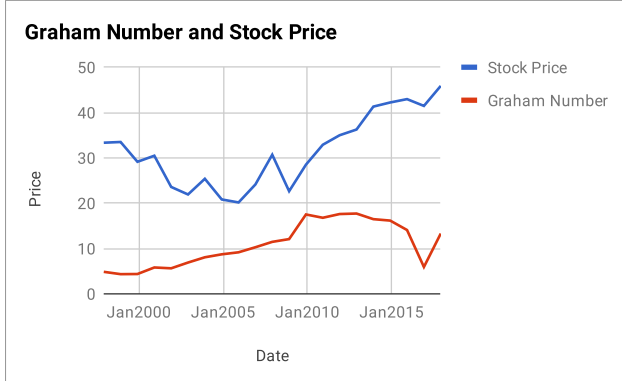
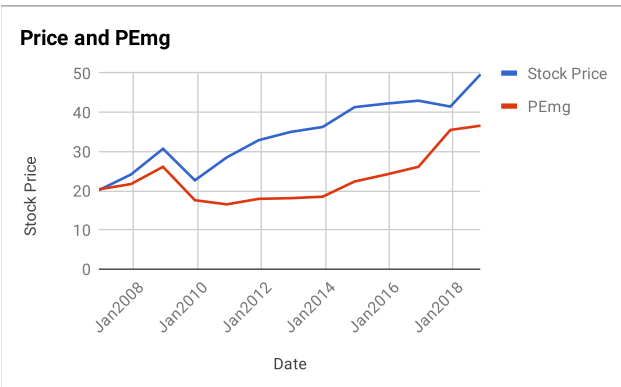
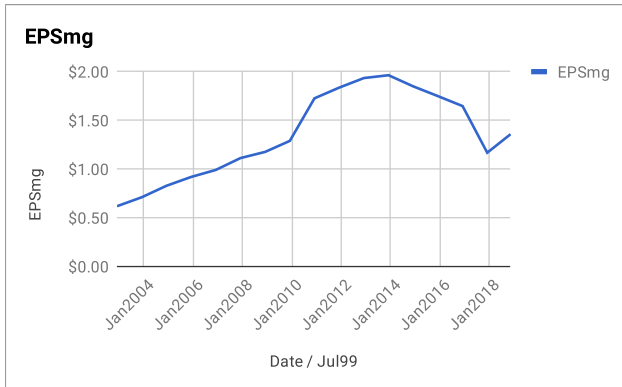
Net Current Asset Value (NCAV)	-\$7.75
Graham Number	\$13.29
PEmg	36.58
Current Ratio	1.06
PB Ratio	10.57
Current Dividend	\$1.48
Dividend Yield	2.98%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.96	Next Fiscal Year Estimate	\$1.36
Dec2017	\$0.29	Dec2017	\$1.17
Dec2016	\$1.49	Dec2016	\$1.65
Dec2015	\$1.67	Dec2015	\$1.75
Dec2014	\$1.60	Dec2014	\$1.85
Dec2013	\$1.90	Dec2013	\$1.96
Dec2012	\$1.97	Dec2012	\$1.93
Dec2011	\$1.85	Dec2011	\$1.84
Dec2010	\$2.53	Dec2010	\$1.73
Dec2009	\$1.47	Dec2009	\$1.29
Dec2008	\$1.25	Dec2008	\$1.18
Dec2007	\$1.29	Dec2007	\$1.11
Dec2006	\$1.08	Dec2006	\$0.99
Dec2005	\$1.02	Dec2005	\$0.92
Dec2004	\$1.00	Dec2004	\$0.83
Dec2003	\$0.89	Dec2003	\$0.71
Dec2002	\$0.62	Dec2002	\$0.62
Dec2001	\$0.80	Balance Sheet Information 9/1/2018	
Dec2000	\$0.44	Total Current Assets	\$33,413,000,000
Dec1999	\$0.49	Total Current Liabilities	\$31,430,000,000
Dec1998	\$0.71	Long-Term Debt	\$25,523,000,000
		Total Assets	\$86,877,000,000
		Intangible Assets	\$16,855,000,000
		Total Liabilities	\$66,699,000,000
		Shares Outstanding (Diluted Average)	4,295,000,000





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**
- [10 Most Overvalued Stocks of the S&P 500 – July 2018](#)
 - [5 Overvalued Dow Components – June 2018](#)
 - [5 Overvalued Dow Components – February 2018](#)
 - [The Coca-Cola Co Valuation – February 2018 \\$KO](#)
 - [5 Overvalued Dow Components – December 2016](#)

- Other ModernGraham posts about related companies**
- [Calavo Growers Inc Valuation – October 2018 \\$CVGW](#)
 - [Lancaster Colony Corp Valuation – August 2018 \\$LANC](#)
 - [SpartanNash Co Valuation – August 2018 \\$SPTN](#)
 - [Core-Mark Holding Co Inc Valuation – August 2018 \\$SCORE](#)
 - [J&J Snack Foods Corp Valuation – August 2018 \\$JJSE](#)
 - [Coca-Cola European Partners PLC Valuation – July 2018 \\$CCE](#)
 - [Seneca Foods Corp Valuation – July 2018 \\$SENEA](#)
 - [Saputo Inc Valuation – July 2018 \\$TSE-SAP](#)
 - [Ingredion Inc Valuation – July 2018 \\$INGR](#)
 - [B&G Foods Inc Valuation – July 2018 \\$BGS](#)