

ModernGraham Valuation

Molson Coors
Brewing Co Class B



Company Name:

Company Ticker TAP

Date of Analysis

1/11/2019

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	\$13,697,224,360	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.64	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	89.01%	Pass
6. Moderate PEmg Ratio	PEmg < 20	10.75	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.97	Pass

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	0.64	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-5.57	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 Score		Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.89
MG Growth Estimate	14.81%
MG Value	\$224.60
MG Value based on 3% Growth	\$85.44
MG Value based on 0% Growth	\$50.09
Market Implied Growth Rate	1.12%

MG Opinion

Current Price	\$63.34
% of Intrinsic Value	28.20%
Opinion	Undervalued
MG Grade	A

Stage 3: Information for Further Research

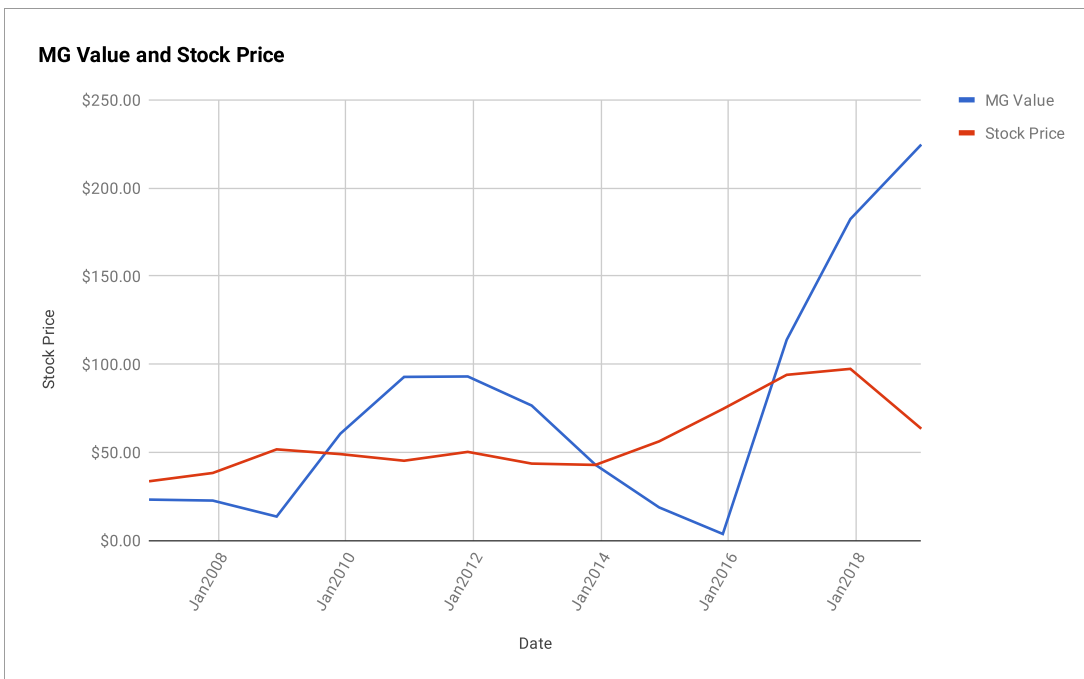
Net Current Asset Value (NCAV)	-\$62.64
Graham Number	\$86.77
PEmg	10.75
Current Ratio	0.64
PB Ratio	0.97
Current Dividend	\$1.64
Dividend Yield	2.59%
Number of Consecutive Years of Dividend Growth	0

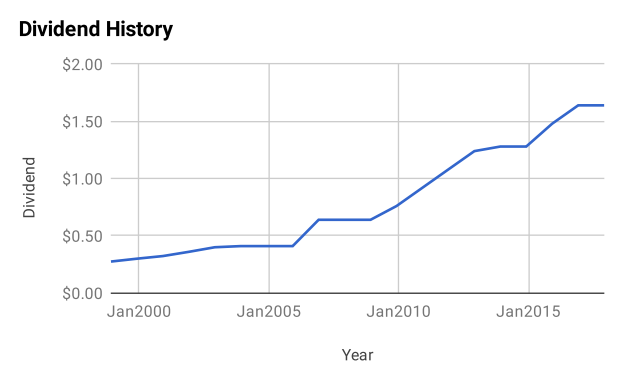
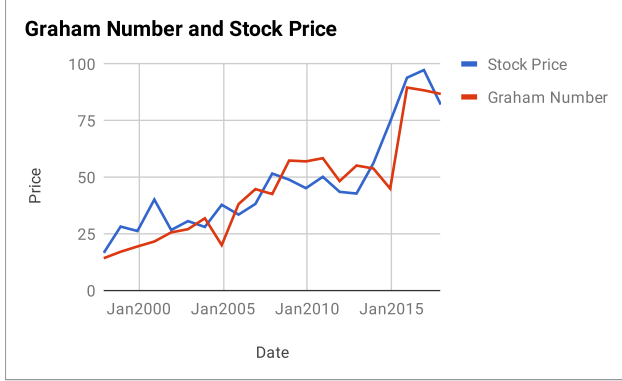
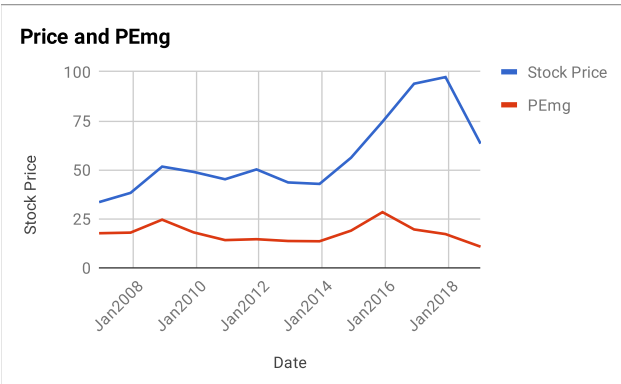
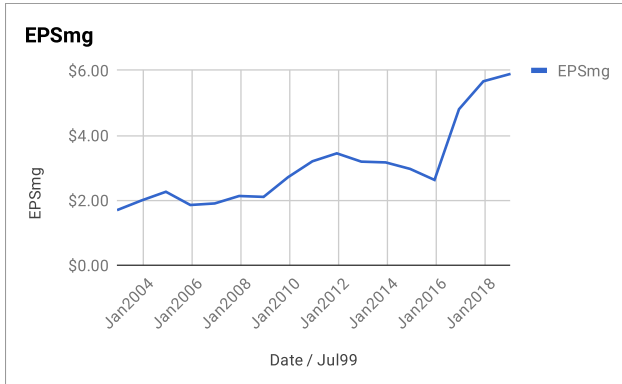
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.45	Next Fiscal Year Estimate	\$5.89
Dec2017	\$6.53	Dec2017	\$5.66
Dec2016	\$9.34	Dec2016	\$4.80
Dec2015	\$2.12	Dec2015	\$2.63
Dec2014	\$2.76	Dec2014	\$2.97
Dec2013	\$3.08	Dec2013	\$3.17
Dec2012	\$2.44	Dec2012	\$3.19
Dec2011	\$3.63	Dec2011	\$3.44
Dec2010	\$3.78	Dec2010	\$3.20
Dec2009	\$3.87	Dec2009	\$2.71
Dec2008	\$2.04	Dec2008	\$2.10
Dec2007	\$2.71	Dec2007	\$2.13
Dec2006	\$2.08	Dec2006	\$1.90
Dec2005	\$0.84	Dec2005	\$1.85
Dec2004	\$2.60	Dec2004	\$2.26
Dec2003	\$2.39	Dec2003	\$1.99
Dec2002	\$2.21	Dec2002	\$1.70
Dec2001	\$1.66	Balance Sheet Information 9/1/2018	
Dec2000	\$1.47	Total Current Assets	\$2,812,300,000
Dec1999	\$1.23	Total Current Liabilities	\$4,422,600,000
Dec1998	\$0.91	Long-Term Debt	\$8,970,300,000
		Total Assets	\$30,470,300,000
		Intangible Assets	\$22,329,400,000
		Total Liabilities	\$16,380,300,000
		Shares Outstanding (Diluted Average)	216,600,000





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 Low PE Stock Picks for the Defensive Investor – June 2018](#)
 - [10 Undervalued Companies for the Defensive Investor – June 2018](#)
 - [10 Stocks for Using A Benjamin Graham Value Investing Strategy – May 2018](#)
 - [10 Low PE Stock Picks for the Defensive Investor – March 2018](#)
 - [5 Great Stocks This Week – 3/19/18](#)

- Other ModernGraham posts about related companies**
- [Boston Beer Company Inc Valuation – July 2018 \\$SAM](#)
 - [Constellation Brands Inc Valuation – May 2018 \\$STZ](#)
 - [Brown-Forman Corp Valuation – May 2018 \\$BF.B](#)
 - [Philip Morris International Inc Valuation – March 2018 \\$PM](#)
 - [Altria Group Inc Valuation – March 2018 \\$MO](#)
 - [Molson Coors Brewing Co Valuation – March 2018 \\$TAP](#)
 - [Molson Coors Brewing Co Valuation – Initial Coverage \\$TAP](#)
 - [Constellation Brands Inc Valuation – February 2017 \\$STZ](#)
 - [Brown-Forman Corporation – February 2017 \\$BF.B](#)
 - [Boston Beer Company Inc Valuation – Initial Coverage \\$SAM](#)