

ModernGraham Valuation

Company Name:

Company Ticker MNST

Date of Analysis

2/4/2019

Monster Beverage Corp



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	\$31,972,320,491	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.28	Pass
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	242.61%	Pass
5. Earnings Growth	PEmg < 20	42.16	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	8.32	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	3.28	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.37
MG Growth Estimate	14.50%
MG Value	\$51.42
MG Value based on 3% Growth	\$19.88
MG Value based on 0% Growth	\$11.66
Market Implied Growth Rate	16.83%

MG Opinion

Current Price	\$57.82
% of Intrinsic Value	112.45%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.10
Graham Number	\$16.22
PEmg	42.16
Current Ratio	3.28
PB Ratio	8.32
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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		Next Fiscal Year Estimate	
	\$1.70		\$1.37
Dec2017	\$1.42	Dec2017	\$1.15
Dec2016	\$1.19	Dec2016	\$0.96
Dec2015	\$0.95	Dec2015	\$0.81
Dec2014	\$0.92	Dec2014	\$0.70
Dec2013	\$0.65	Dec2013	\$0.56
Dec2012	\$0.62	Dec2012	\$0.48
Dec2011	\$0.51	Dec2011	\$0.39
Dec2010	\$0.38	Dec2010	\$0.31
Dec2009	\$0.37	Dec2009	\$0.25
Dec2008	\$0.19	Dec2008	\$0.18
Dec2007	\$0.25	Dec2007	\$0.16
Dec2006	\$0.17	Dec2006	\$0.09
Dec2005	\$0.11	Dec2005	\$0.05
Dec2004	\$0.04	Dec2004	\$0.02
Dec2003	\$0.01	Dec2003	\$0.01
Dec2002	\$0.01	Dec2002	\$0.01
Dec2001	\$0.01	Balance Sheet Information 9/1/2018	
Dec2000	\$0.01	Total Current Assets	\$2,152,671,000
Dec1999	\$0.01	Total Current Liabilities	\$656,362,000
Dec1998	\$0.01	Long-Term Debt	\$0
		Total Assets	\$4,871,359,000
		Intangible Assets	\$2,373,891,000
		Total Liabilities	\$978,092,000
		Shares Outstanding (Diluted Average)	559,955,000





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

- [Monster Beverage Corp Valuation – April 2018 \\$MNST](#)
- [Monster Beverage Corp Valuation – July 2016 \\$MNST](#)
- [Monster Beverage Corp Valuation – January 2016 Update \\$MNST](#)
- [Monster Beverage Corporation Analysis – October 2015 Update \\$MNST](#)
- [Monster Beverage Analysis – July 2015 Update \\$MNST](#)

Other ModernGraham posts about related companies

- [Campbell Soup Co Valuation – January 2019 \\$CPB](#)
- [Kellogg Co Valuation – January 2019 \\$K](#)
- [PepsiCo Inc Valuation – January 2019 \\$PEP](#)
- [The Hershey Co Valuation – January 2019 \\$HSY](#)
- [Coca-Cola Co Valuation – November 2018 \\$KO](#)
- [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 \\$CORE](#)
- [J&J Snack Foods Corp Valuation – August 2018 \\$JJSF](#)