

1st Quarter report for Boston Beer (SAM)

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Taken from Manifest Investing website on 2/13/2016									
Company	Symbol	Price	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Qlty	PAR
Boston Beer	SAM	\$150.60	13.20%	22	0.00%	89%	83	93	16.10%

Percentage change in Sales from year ago quart **-5.4%**

Percentage change in Earnings per Share from year ago quar **-46.7%**

Is company meeting our target sales & earnings estimates? no

Pre-tax Profit on sales trend? **Down**

Return on equity trends? **Down**

Debt? (up, even, down) **Down**

Current PE is 22.1

Where does it fall in my estimated High/low range of PE's? low

Signature PE = 29.8

Club cost basis for this stock is 220.71 Current price is 150.6
(from latest valuation)

Current fair value: Morningstar 180.00 **Narrow Moat S&P:** Sell 2 star **Down 1 star**

My SSG Total Return is 19.0% Projected Average Return is 16.2%

NOTES:

Value Line: The long-term picture is more attractive. Managements recent efforts to get back on track will likely have taken hold. Moreover, the company's other offerings ought to grow at a good clip. Consequently, we look for sales & earnings to advance at double-digit pace over the 2019-2021 time frame.

S&P: We see the company's market share positions being challenged by rising competition and increased consumer preferences for variety. New product introductions are experiencing slow uptake by consumers but we expect increased Marketing efforts to provide some sales support into 2017

Morning Star:

Bulls Say

- Boston Beer's cider brand, Angry Orchard, is the largest in the U.S. by dollars, and despite recent slowing, the category has grown extremely quickly.

- Boston Beer's opportunities on the U.S. West Coast and internationally support our view that it will continue above category growth over the next several years.

- The company plans to implement efficiency programs to expand margins as top-line growth slows.

Bears Say

- Boston Beer has approximately 1.5% of the U.S. beer market. MillerCoors and Anheuser-Busch have significantly larger shares at 26% and 45%, respectively.

- * The company brews about 10% of its core brand product at facilities it does not own. If the contract breweries the firm uses were bought by a competitor, Boston Beer could face short-term capacity issues.

- * With a significant number of breweris opening, it is possible that the fight to grow volumes & for shelf space could lead to market fragmentation, price competition, & further share losses for Boston Beer.

Motely Fool:

You just don't get the opportunity very often to buy a quality business at a a bargain price. After hitting a new 52 week following its first quarter results, the craft brewer currently trades for less than 10 times its enterprise value to EBITDA - lower than its average multiple during the financial crisis & deep recession years 2008 to 2010. The market is treating Boston Beer's recent struggles as if they have permanently impaired the business. I expect Boston Beer to regain its prior growth trajectory & continue to lead the craft beer trend - a trend that is still in its early innings here in the U.S.

Recommend: Buy More _____, Hold X, Challenge with a better investment _____, Sell _____