

Template for Presentations

Coca-Cola Co

Lecture 3

Problem 3. Enterprise Value (EV)

- (a) Calculate Net Debt
- (b) Calculate enterprise value
- (c) Calculate Debt to EV

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Total Debt	44 116	41 745	37 079	32 610
Minus Cash and Cash Equivalents and Marketable	-19 900	-21 675	-20 268	-16 551
Minority Interests	210	241	267	378
Net Debt	24 426	20 311	17 078	16 437

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Market Cap	186 832	184 928	182 422	162 587
Net Debt	24 426	20 311	17 078	16 437
EV	211 258	205 239	199 500	179 024
	210 462	203 264	198 503	177 614

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Total Debt / EV	20,3%	18,6%	18,2%	

Problem 4. Number of Shares

Find the number of shares authorized, issued, Treasury, outstanding, closely held, and free float.				
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Authorized	7 040 000 000	7 040 000 000	7 040 000 000	7 040 000 000
Issued	2 716 000 000	2 674 000 000	2 638 000 000	2 571 000 000
Treasury	4 348 985 156	4 380 112 851	4 415 922 733	4 485 161 506
Outstanding	5 302 440	10 820 643	212 155 711	238 661 984
Closely Held	4 318 727 451	4 355 328 671	4 189 882 231	4 259 410 617
Free Float	43	42	41	36

Lecture 10

Problem 3. DuPont Analysis

Required:

Perform and discuss DuPont analysis

Solution

$$\text{Reinvestme nt Rate} = \frac{\text{Retained Earning}}{\text{Equity}}$$

$$\frac{\text{Net Sales}}{\text{Assets}} \times \frac{\text{Taxable Income}}{\text{Net Sales}} \times \frac{\text{Assets}}{\text{Equity}} \times \frac{\text{Net Income}}{\text{Taxable Income}} \times \frac{\text{Net Income} - \text{Dividends}}{\text{Net Income}}$$

$$\text{Total Asset Turnover} \times \text{Pretax Margin} = \text{Pretax ROA}$$

$$\text{Pretax ROA} \times \text{Leverage (Assets/Equity)} = \text{Pretax ROE}$$

$$\text{Pretax ROE} \times \text{Tax Compliment (equal to (1 - Tax Rate))} = \text{ROE}$$

$$\text{ROE} \times \text{Earnings Retention ((Net Income - Dividends) / Net Income)} = \text{Reinvestme nt Rate}$$

DuPont Earning Power	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Asset Turnover	0,49	0,50	0,52	0,56
x Pretax margin	21,7%	20,3%	24,5%	24,6%
Pretax ROA	10,7%	10,1%	12,7%	13,7%
x Leverage (Assets/Equity)	3,52	3,04	2,71	2,63
Pretax ROE	0,38	0,31	0,35	0,36
x Tax Complement	76,7%	76,4%	75,2%	76,9%
ROE	28,8%	23,5%	26,0%	27,7%
x Earnings Retention	21,9%	24,6%	42,1%	49,1%
Reinvestment Rate	6,3%	5,8%	11,0%	13,6%

Lecture 11

Problem 2. Market value per share ratios

- (a) Calculate market price per share
- (b) Calculate price-earnings ratio
- (c) Calculate dividend yield

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Market Cap	186 832	184 928	182 422	162 587
Market price per share	35235,18	17090,33	859,85	681,24
Earnings per share	1386,34	655,97	40,46	37,79
P/E	25,4	26,1	21,3	18,0
Dividends per share	1082,71	494,43	23,42	19,25
Dividend yield	3,07%	2,89%	2,72%	2,83%

Problem 3. Enterprise Value Ratios

- (a) Total Debt To Enterprise Value
- (b) Net Debt To Enterprise Value
- (c) Enterprise Value To Sales
- (d) Enterprise Value To EBITDA
- (e) Enterprise Value To EBIT
- (f) Enterprise Value To Operating Cash Flow

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Enterprise Value	210 462	203 264	198 503	177 614
Total Debt To Enterprise Value	0,22	0,21	0,18	0,18
Net Debt To Enterprise Value	0,11	0,09	0,08	0,08
Enterprise Value To Sales	4,66	4,40	4,20	3,73
Enterprise Value To EBITDA	18,49	15,42	15,35	13,13
Enterprise Value To EBIT	22,29	18,19	18,09	15,41
Enterprise Value To Operating Cash Flow	19,09	18,81	18,87	16,89

Lecture 12

Problem 2. Leverage

Calculate and interpret DOL, DFL and DCL

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
$DOL = \frac{S - V}{S - V - F}$	2,59	2,59	2,54	2,57
$DFL = \frac{S - V - F}{S - V - F - I}$	1,07	1,05	1,05	1,04
$DCL = \frac{S - V}{S - V - F - I}$	2,77	2,72	2,66	2,68