



# The Boston Beer Company, Inc. (SAM)

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**THE BOSTON  
BEER COMPANY**

Senior Analyst: Austin Preece, Jacob Maurer, & Kiana Canon



# Overview

# Boston Beer Brands



**TRULY**  
SPIKED & SPARKLING™



. True Iced Tea Taste .  
**TWISTED TEA**®  
HARD ICED TEA

**ANGRY  
ORCHARD**™  
HARD CIDER

**TURA**™  
ALCOHOLIC KOMBUCHA



**A&S BREWING**



MARATHON BREWING COMPANY™  
**26.2**™  
BREW

# Acquisition: Dogfish Head



\$291.72 Million

Cultural Fit

Broader Market



# Comparison to S&P 500



# Management



Boston Beer  
Company Founder  
Jim Koch

Dogfish Head  
Founder  
Sam Calagione

President and CEO  
Dave Burwick







# Investment Thesis

# Key Drivers



**Growth in Hard  
Seltzer**



**Brand Building**



**Distribution  
Network**



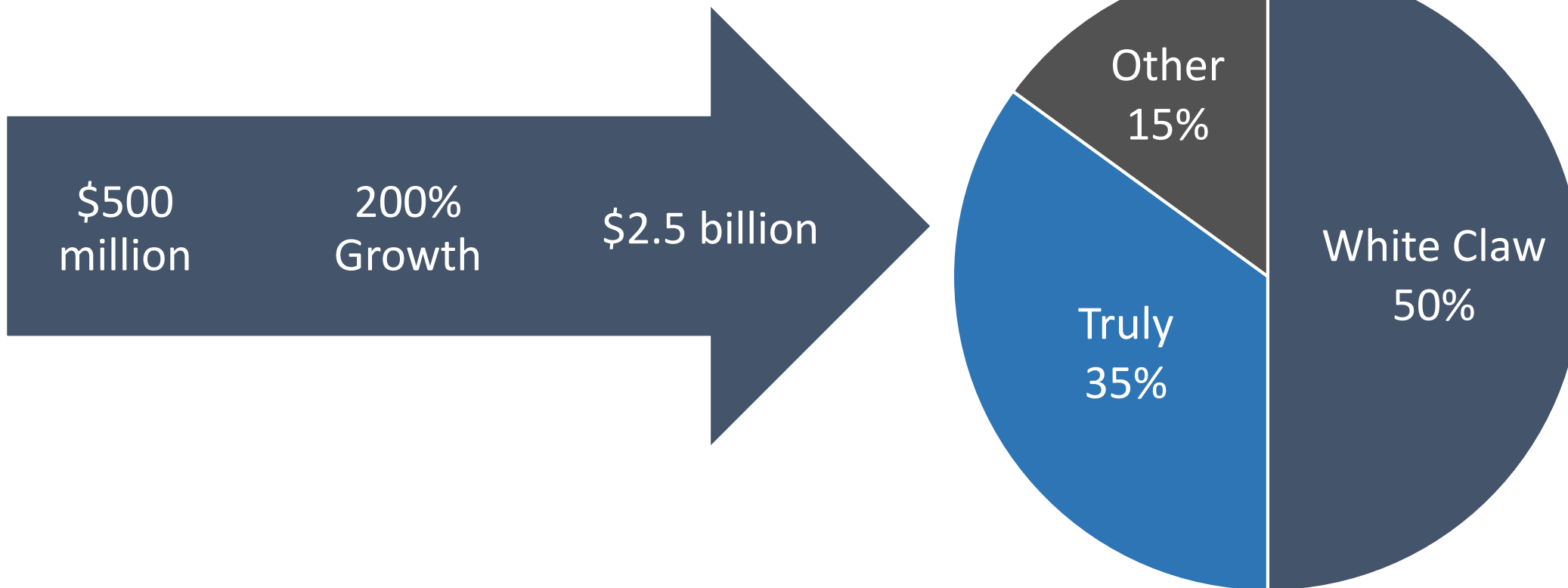
**Overlooked Brands**



# Growth in Hard Seltzer



## Hard Seltzer Market



# Competitive Advantage of Truly



Triple Digit Growth

New Lemonade Flavors

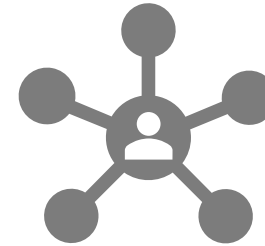
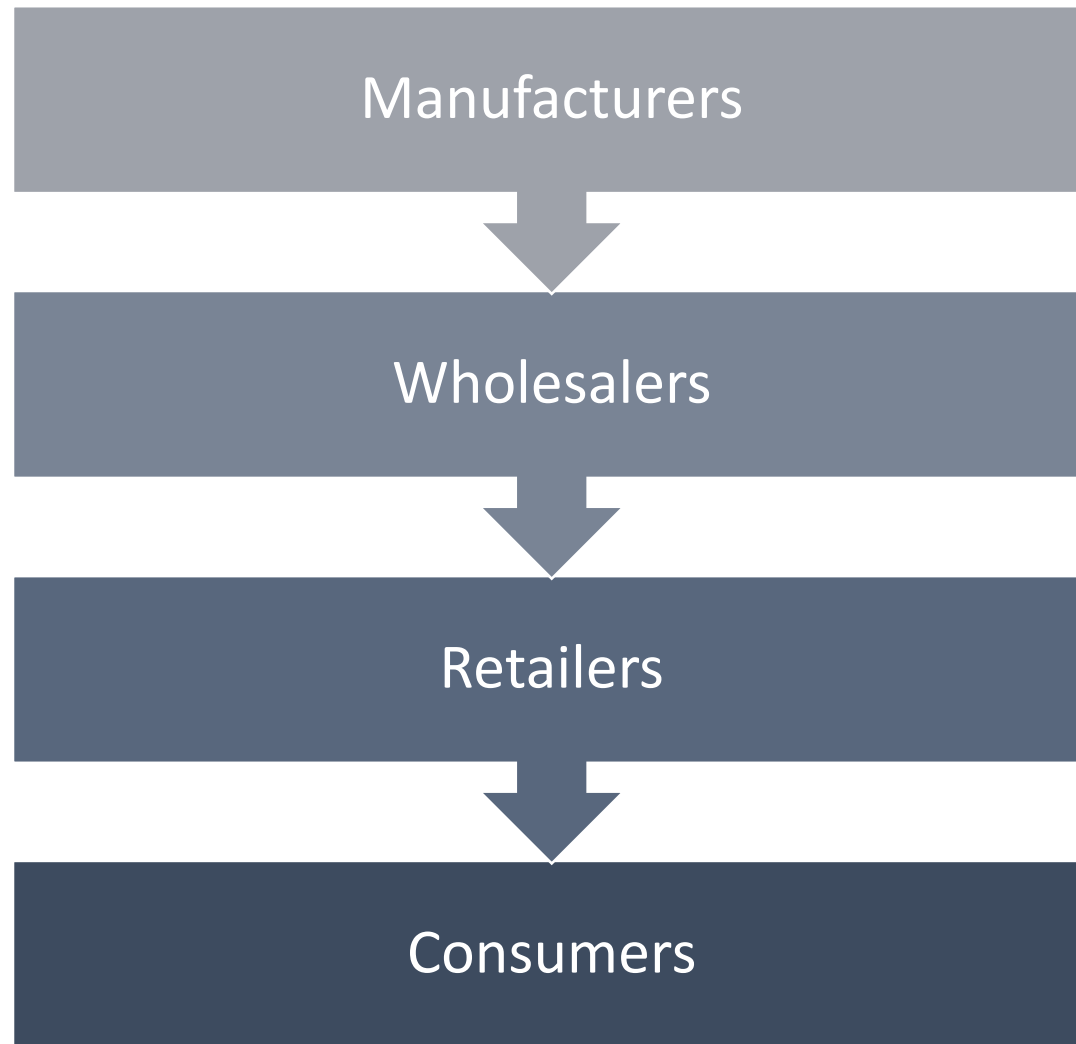
At Capacity

Truly on tap

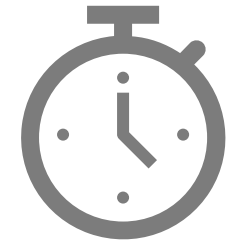
# Brand Building



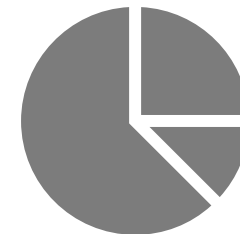
# Distribution Network



**~375 Wholesalers**



**Freshest Beer Program**



**6 SKUS = 60% +**



**~410 in Salesforce**

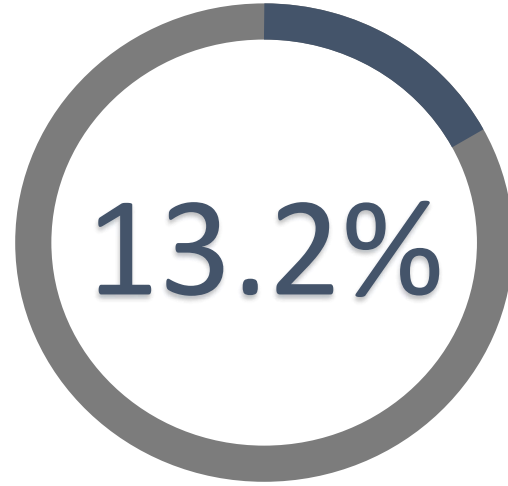
# Overlooked Brands: Growth in Beer



## Volume Share for Craft Brewers



2017



2018

## 2018 Craft Brewer Volume Growth

# 4% GROWTH

Total Beer Market Down 1%

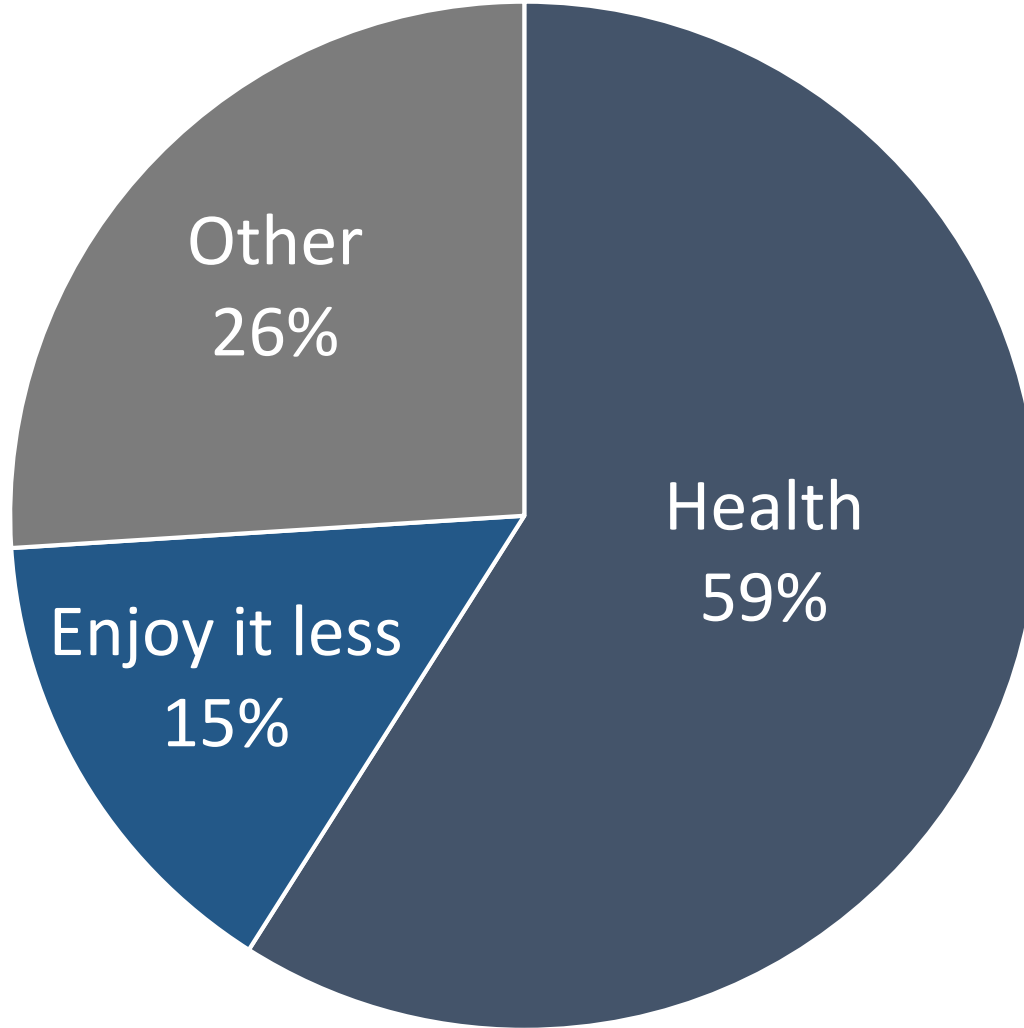


Craft Dollar Share = 24.1%

# \$27.6 BILLION

## 2018 Craft Retail Dollar Value Growth

# Overlooked Brands: Health Trends



**TURA™**  
ALCOHOLIC KOMBUCHA



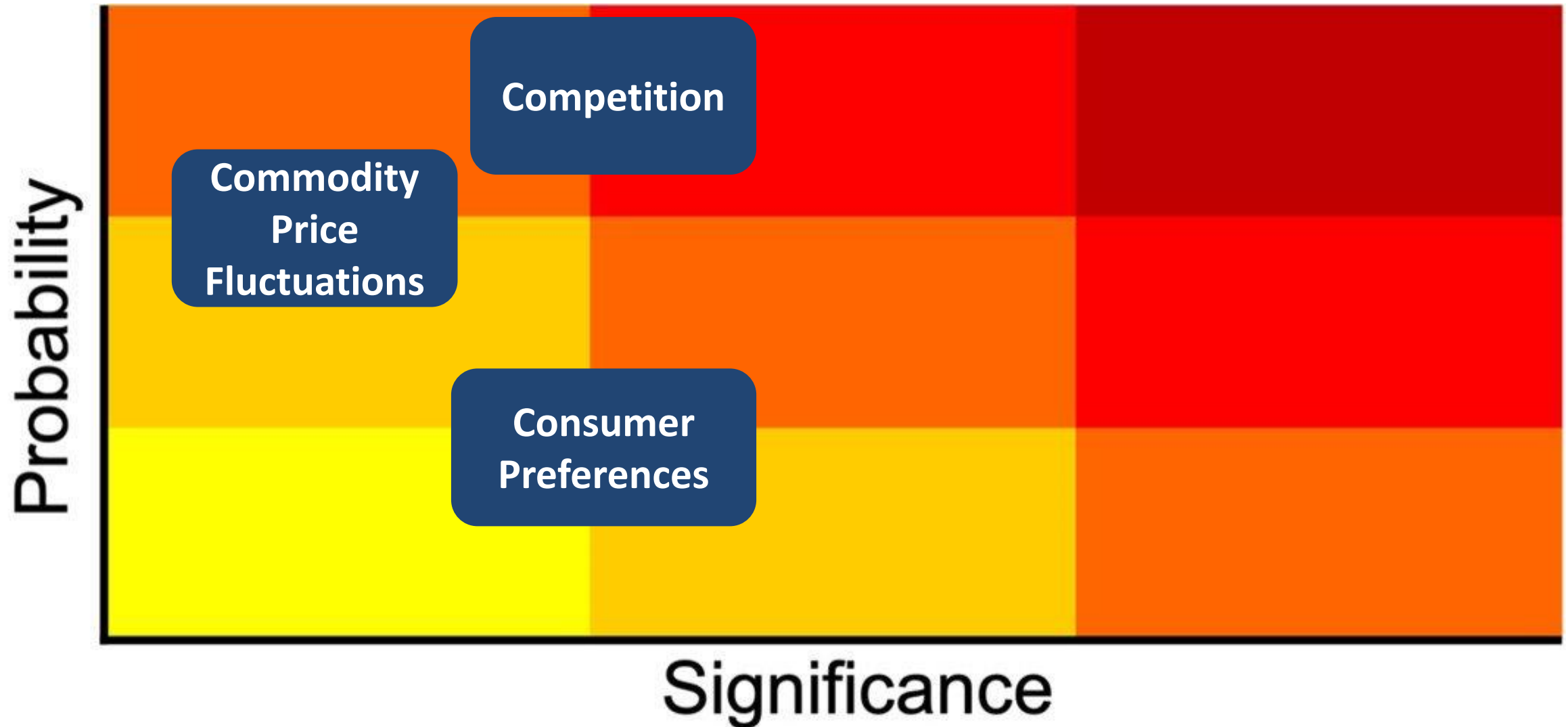
MARATHON BREWING COMPANY™  
**26.2**™  
BREW



# Risk Factors



# Risks



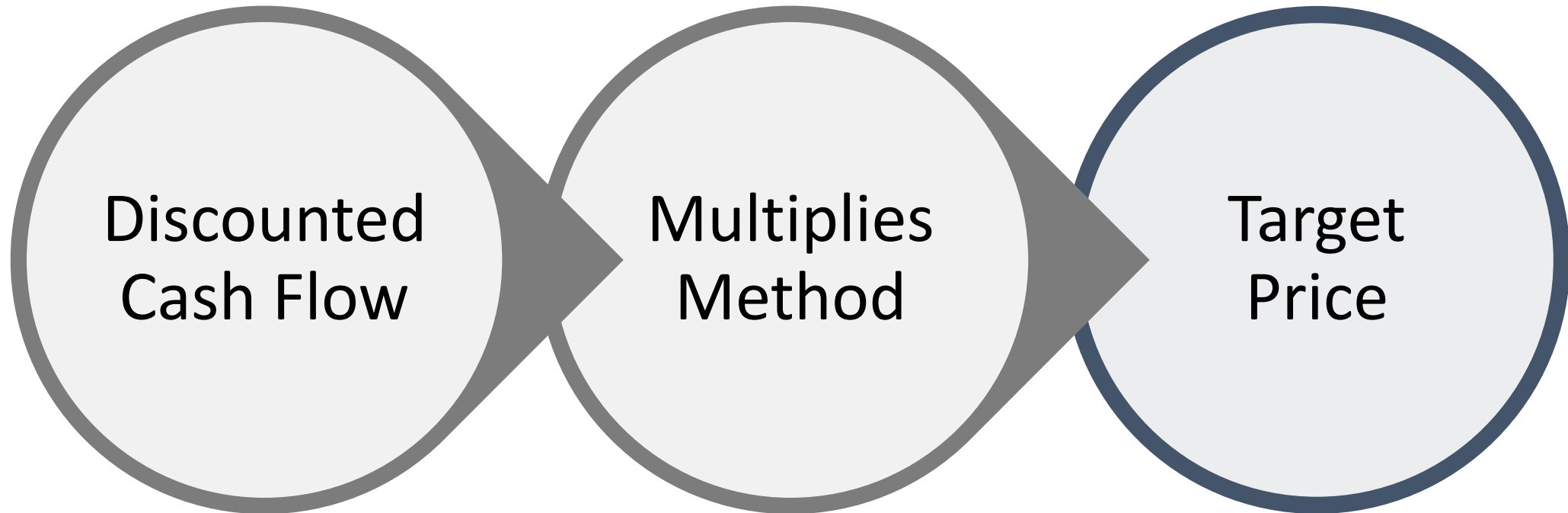


# Peer Analysis & Valuation

# Peer Analysis



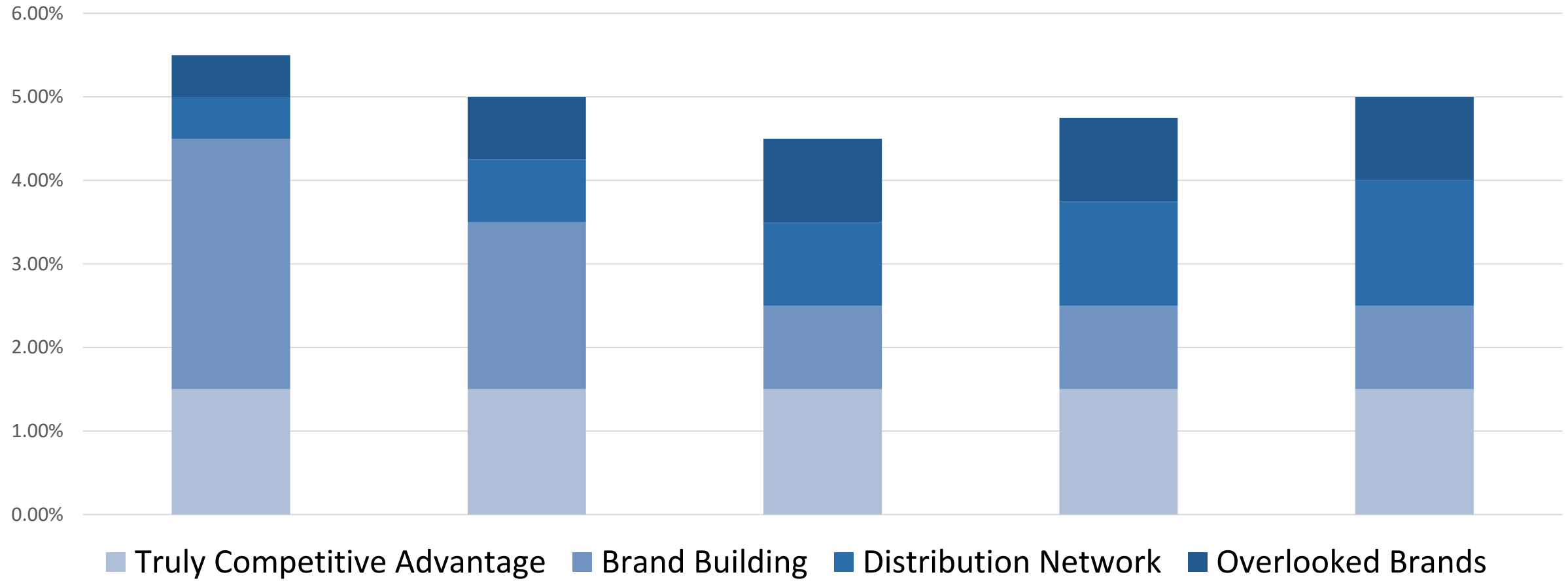
Company	Gross Margin (%)	ROA (%)	ROE (%)	Price/ Book
Boston Beer Company (SAM)	51.45	15.32	20.97	5.97
Anheuser Busch InBev NV (BUD)	60.25	1.81	6.37	2
Molson Coors Brewing Company (TAP)	37.8	3.7	8.35	.9
Constellation Brands (STZ)	50.55	13.81	33.36	2.55
Industry Average	46.38	9.32	20.47	2.29



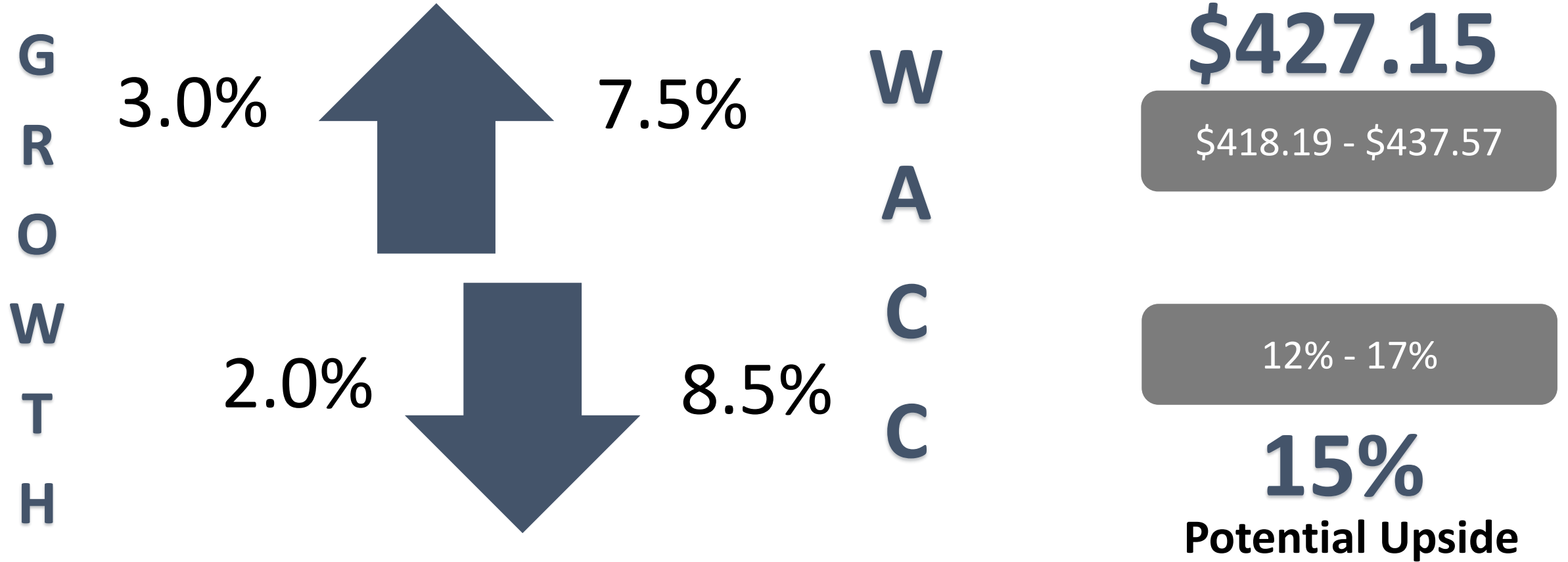
# DCF Analysis



## Growth Assumptions Based on Type and Year



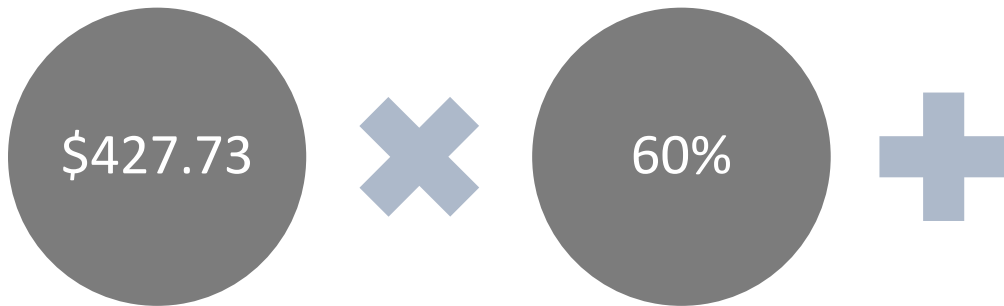
# DCF Analysis



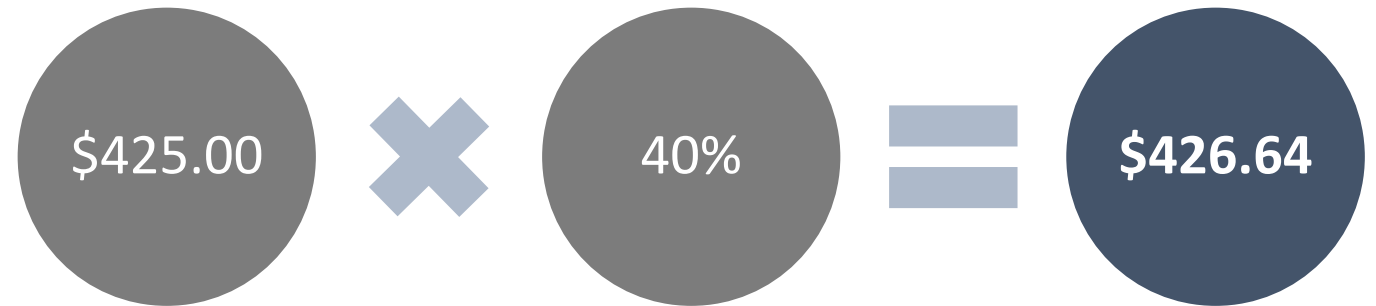
# Valuation



DCF



Multiples Method



Target Price  
**\$426.64**

\$420.92 - \$432.54

Potential Upside  
**14.34%**

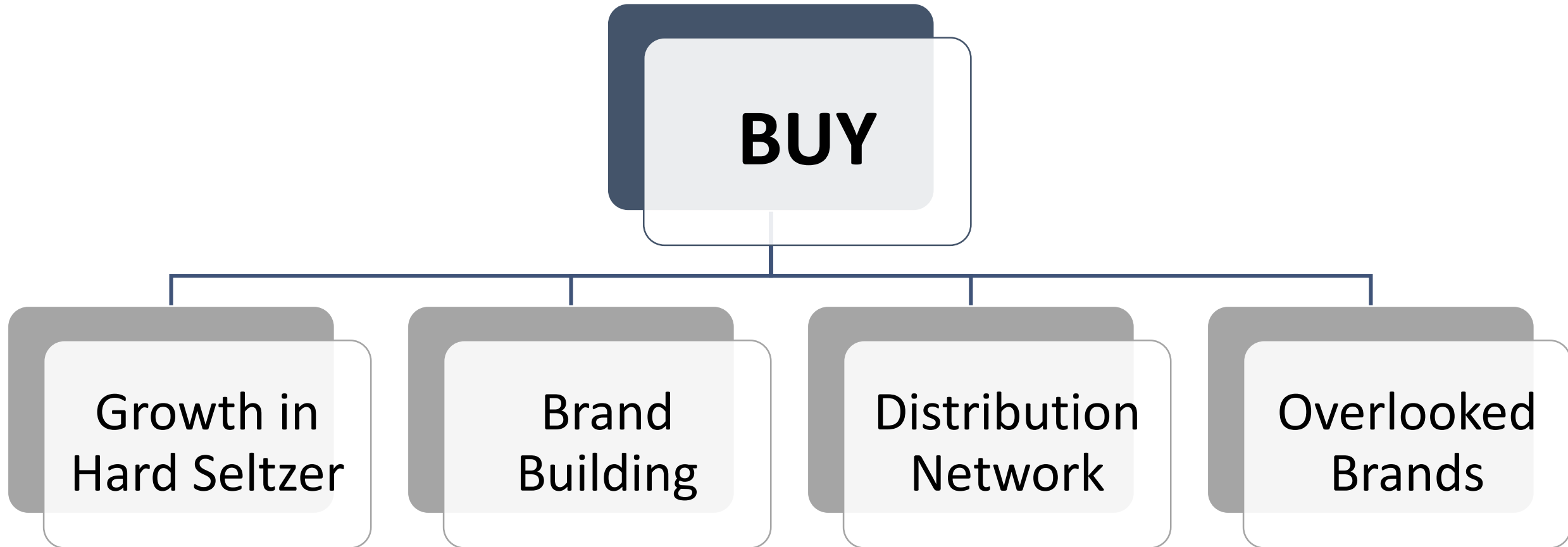
12.81% - 15.93%





# Recommendation

# Recommendation





# Questions?

**THE BOSTON  
BEER COMPANY**