



Molson Coors Beverage Company (TAP)

Updated August 11th, 2025 by Quinn Mohammed

Key Metrics

Current Price:	\$51	5 Year CAGR Estimate:	13.4%	Market Cap:	\$10 B
Fair Value Price:	\$71	5 Year Growth Estimate:	4.0%	Ex-Dividend Date:	09/05/25 ¹
% Fair Value:	72%	5 Year Valuation Multiple Estimate:	6.8%	Dividend Payment Date:	09/19/25 ¹
Dividend Yield:	3.5%	5 Year Price Target	\$86	Years Of Dividend Growth:	4
Dividend Risk Score:	D	Sector:	Consumer Staples	Rating:	Hold

Overview & Current Events

Molson Coors Beverage Company, previously Molson Coors Brewing Company, was founded in 1873. Since then, it has grown into one of the largest U.S. brewers, with a variety of brands including Coors Light, Molson Canadian, Carling, Blue Moon, Hop Valley, Leinenkugel's, Crispin Cider, and Miller Lite through a joint venture called MillerCoors. The \$10 billion market cap company has a significant presence outside the U.S. Its international markets include Canada, Europe, Latin America, Asia, and Africa. It is the fourth largest beer company in the world.

In January 2025, Molson purchased an 8.5% stake in Fevertree Drinks plc, which made it the 2nd largest shareholder, advancing its Beyond Beer and premiumization strategy, by expanding into non-alcoholic drinks.

On February 12th, 2025, the company announced a 7% increase to the quarterly dividend to \$0.47 per share.

On August 5th, 2025, Molson Coors reported second quarter 2025 results for the period ending June 30th, 2025. For the quarter, the company generated net sales of \$3.20 billion, a 1.6% decrease compared to Q2 2024. Net sales declined 2.8% in Americas, but rose 3.0% in Europe, the Middle East and Africa, and Asia-Pacific. Reported net income equaled \$429 million or \$2.13 per share compared to \$427 million or \$2.03 per share in Q2 2024. On an adjusted basis, earnings-per-share equaled \$2.05 versus \$1.92 prior. The company repurchased \$307 million of its shares in the first half of 2025.

Molson Coors updated its 2025 outlook and now expects net sales to decrease by 3% to 4% on a constant currency basis, and adjusted EPS to decrease by 7% to 10%.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$1.93	\$3.01	\$4.48	\$5.04	\$4.54	\$3.92	\$4.15	\$4.10	\$5.43	\$5.96	\$5.43	\$6.61
DPS	\$1.64	\$1.64	\$1.64	\$1.64	\$1.96	\$0.57	\$0.68	\$1.52	\$1.64	\$1.76	\$1.76	\$1.94
Shares²	185	224	215	219	216	217	217	217	217	207	201.0	195.0

One of the major themes that has characterized Molson Coors' financial performance in recent years is the struggling beer industry. Younger generations are consuming more wine and liquors while traditional beer consumption is dropping. Growth that does still occur in the beer industry is localized within the craft beer segment. The company posted down results in 2019 and 2020 but returned to growth in 2021. Earnings-per-share soared 32% in 2023, rose 10% in 2024, and we now expect a 9% decline in EPS for 2025.

With several top brands, Molson Coors can pass higher costs on to consumers. The company is also aggressively cutting costs in other parts of the business to offset raw material inflation. In addition, Molson Coors is investing in new product categories to generate growth, such as cannabis.

Molson is now executing its Acceleration Plan, which aims to grow core power brands (Coors Light, Miller Lite, Coors Banquet, and Molson) revenue, continue to premiumize its portfolio, and expand its scale in beyond beer. It is also branching out into non-alcoholic beverages with its stake in Fevertree Drinks, to build a 'total-beverage' portfolio.

¹ Estimate.

² In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



Molson Coors Beverage Company (TAP)

Updated August 11th, 2025 by Quinn Mohammed

The COVID-19 pandemic had a significant impact on the demand for the company's products due to many on-premise restrictions throughout the pandemic. This headwind is now in the rearview as people have put the pandemic behind them and have returned to outside establishments, such as restaurants and bars.

We are forecasting \$5.43 in earnings-per-share for 2025 to go along with a 4.0% intermediate term growth rate.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	40.8	32.7	19.9	13.3	12.9	15.3	22.4	14.2	11.0	10.0	9.3	13.0
Avg. Yld.	2.1%	1.7%	1.8%	2.4%	3.4%	1.4%	1.1%	2.3%	2.7%	2.9%	3.5%	2.3%

In the past decade, shares of Molson Coors have traded hands at an average price-to-earnings ratio of 19.2 times earnings. However, this has included instances where earnings fell and the share price held up much better, along with periodic bouts of extreme valuation. We view 13.0 times earnings as a reasonable starting baseline, considering the quality of the business and its potential growth rate. This implies the potential for valuation upside. Meanwhile, the current 3.5% dividend yield is higher than the 5-year average of 2.2%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	85%	54%	37%	33%	43%	15%	16%	37%	30%	30%	32%	29%

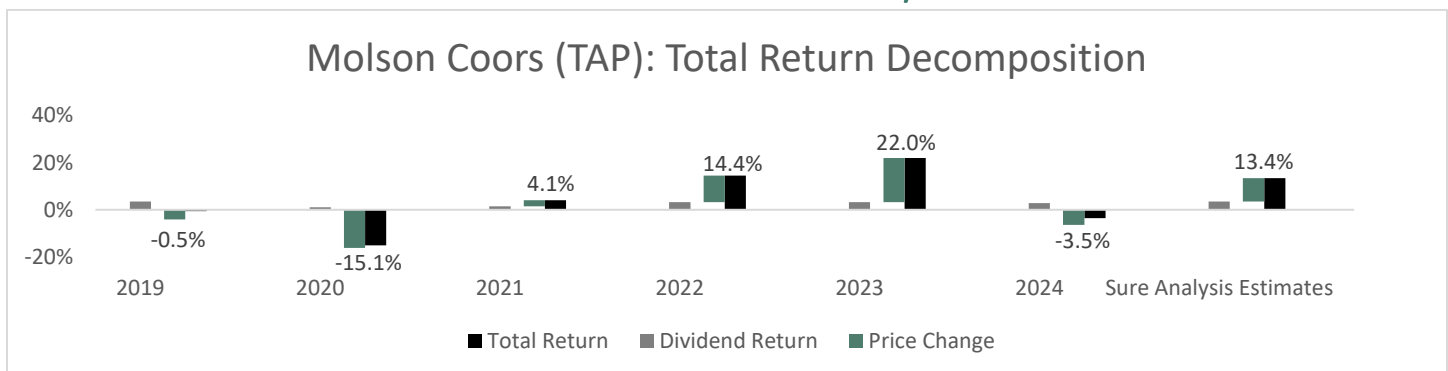
The board elected to suspend the dividend after the first quarter of 2020, which was not welcome news for income investors, especially after significantly increasing the payment in 2019. The payout was reinstated in the second half of 2021, but at a ~40% lower rate. The abrupt change in policy makes us more cautious on the dividend going forward.

Molson Coors still has many competitive advantages. It has a number of popular brands, including Coors Light, which was the #4 selling beer brand in the U.S. in 2023. Molson Coors has an extensive production and distribution network, providing the company with economies of scale. In a competitive beer market, the larger operators like Molson Coors can acquire smaller brewers to retain market share. In addition, Molson Coors can withstand recessions very well. Beer is a recession-resistant product, with Molson Coors remaining highly profitable during the Great Recession of 2008-2009. That being said, the covid crisis was different and hurt short-term demand and results, but the company bounced back swiftly.

Final Thoughts & Recommendation

Shares of TAP have decreased by 12% year-to-date. Molson Coors has executed successfully against its Revitalization Plan, resulting in strong results despite a challenging environment, demonstrating the resilience of the industry. Total return potential comes in at 13.4% per annum stemming from 4.0% growth, the 3.5% dividend yield, and 6.8% P/E multiple expansion. Molson earns a hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



Molson Coors Beverage Company (TAP)

Updated August 11th, 2025 by Quinn Mohammed

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	3,568	4,885	11003	10,770	10,579	9,654	10,280	10,701	11,700	11630
Gross Profit	1,436	1,886	4,766	4,185	4,201	3,768	4,053	3,655	4,369	4533
Gross Margin	40.2%	38.6%	43.3%	38.9%	39.7%	39.0%	39.4%	34.2%	37.3%	39.0%
SG&A Exp.	1,038	1,597	3,052	2,803	2,728	2,437	2,555	2,619	2,780	2718
D&A Exp.	314	388	813	858	859	922	786	685	683	759
Operating Profit	398	289	1,714	1,382	1,473	1,331	1,499	1,036	1,426	1750
Operating Margin	11.1%	5.9%	15.6%	12.8%	13.9%	13.8%	14.6%	9.7%	12.2%	15.0%
Net Profit	395	1,594	1,566	1,117	242	-949	1,006	-175	949	1122
Net Margin	11.1%	32.6%	14.2%	10.4%	2.3%	-9.8%	9.8%	-1.6%	8.1%	9.6%
Free Cash Flow	441	785	1,267	1,680	1,304	1,121	1,051	841	1,408	1236
Income Tax	62	1454	-205	225	234	302	231	124	296	345

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	12,276	29,342	30,247	30,110	28,860	27,331	27,619	25,868	26,380	26060
Cash & Equivalents	431	561	419	1,058	523	770	637	600	869	969
Acc. Receivable	408	654	728	736	706	550	663	740	758	693
Inventories	179	593	592	592	616	664	805	793	802	728
Goodwill & Int.	6,729	22,282	22,702	22,037	21,287	19,707	19,439	18,092	17,940	17780
Total Liabilities	5,213	17,720	17,060	16,374	15,187	14,710	13,955	12,953	12,940	12610
Accounts Payable	560	1,298	1,569	1,617	1,687	1,733	2,098	2,068	3,181	3013
Long-Term Debt	2,937	12,073	11,314	10,488	9,038	8,228	7,162	6,562	6,224	6146
Total Equity	7,043	11,419	12,978	13,507	13,419	12,365	13,417	12,690	13,200	13090
LTD/E Ratio	0.42	1.06	0.87	0.78	0.67	0.67	0.53	0.52	0.47	0.47

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	3.0%	7.7%	5.3%	3.7%	0.8%	-3.4%	3.7%	-0.7%	3.6%	4.3%
Return on Equity	5.3%	17.3%	12.8%	8.4%	1.8%	-7.4%	7.8%	-1.3%	7.2%	8.4%
ROIC	3.8%	9.5%	6.5%	4.6%	1.0%	-4.4%	4.8%	-0.9%	4.9%	5.7%
Shares Out.	185	224	215	219	216	217	217	217	217	210
Revenue/Share	19.14	22.89	50.82	49.72	48.78	44.53	47.24	49.34	53.85	55.39
FCF/Share	2.37	3.68	5.85	7.75	6.01	5.17	4.83	3.88	6.48	5.89

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.