



Will Molson Coors (TSX:TPX.B) Turn Out to Be the Stock of the Summer?

Description

It's been, for the most part, a couple of sour months for investors in **Molson Coors Canada Inc.** ([TSX:TPX.B](#))([NYSE:TAP](#)).

Colder weather this spring helped to dampen beer sales in North America — an issue that was only made worse by the cycling of a tax credit enjoyed by European markets a year ago and destocking among North American distributors in the first quarter.

All that led to a disappointing result when Molson reported its first-quarter earnings at the beginning of May.

Analysts were expecting the company to report quarterly earnings of \$0.78 per share; meanwhile, the beer brewer, with headquarters based in Denver and Montreal, was only able to muster up a meager \$0.48 per share.

That simply did not leave investors satisfied, and, in fact, it created a stampede for the exits, with Molson stock plummeting more than 15% in a single day's trading.

But as they say, "one man's junk is another man's treasure." While some may have been unnerved by the disappointing quarterly results, shares now trade just above their lowest levels in nearly three years.

In fact, at a share price now in the mid-\$60s, Molson stock is now trading at the same price it did all the way back in 2007.

It's hard to believe, especially given that Molson happens to be one of the world's largest alcoholic beverage brewers and boasts an impressive staple of popular brands among its product lineup.

In Canada, Molson Coors lays claim to such popular beer brands as its namesake Coors, Coors Light, and Molson Canadian labels, as well as the Miller, Miller Lite, and Carling brands.

Over time, beer drinkers have begun gravitating somewhat away from their [“dad’s beers”](#) like the aforementioned brands and picking up the brews of smaller, lesser-known labels.

But today, Molson Coors now offers some of those brews, like, for example, Blue Moon, Creemore Springs, Granville Island, and Mad Jack.

One of the other trends that has become apparent in the beer markets lately is a divergence to alt-beers, such as low-calories beverages like Molson Canadian 67 and non-traditional flavours, including ciders.

Not to mention that last year Molson Coors acquired full ownership of its outstanding stake in the Miller Coors joint venture — a move that saw Molson Coors acquire full ownership of the Miller portfolio outside the U.S. and allow it to retain the rights to all brands within the Miller Coors portfolio within the U.S. market.

Going to be a good summer?

Despite the rocky first-quarter results, management remained confident that it will be able to recoup those losses through the back half of the year.

With the FIFA World Cup and warmer, beer-drinking weather just around the corner, now could be a good time to be [loading up on the stock of Molson Coors](#).

Stay Foolish.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:TAP (Molson Coors Beverage Company)
2. TSX:TPX.B (Molson Coors Canada Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date

2025/07/20

Date Created

2018/06/20

Author

jphillips

default watermark

default watermark