Reviewer’s diploma thesis assessment

Student: Bc. Min Wang
Title: Fundamental Analysis of Coca-Cola, Inc.
Reviewer: Ing. Martina Novotná, Ph.D.

The thesis is focused on fundamental analysis and calculation of the intrinsic value of the well-known company with a relatively long history, Coca-Cola Inc. The main objective is to carry out fundamental analysis of the company and to make own investment recommendation. The aim of the thesis is clearly specified in the introductory part and the content and results of the thesis are in line with the objective.

The structure of the thesis is logical; the student systematically proceeds from the theoretical background to the practical application of fundamental analysis. Apart of introduction and conclusion, the thesis is consisted of four main chapters. First, the theoretical description of fundamental analysis is provided, purely with the focus on financial ratio analysis and valuation models. The application of fundamental analysis is conducted in the remaining chapters. The student starts with the global analysis of the US economy. Then, the student carried out industry and company analysis. Finally, the intrinsic value of the company is calculated. The student used various methods to calculate intrinsic values including the dividend discount model, asset-based model and multiplier models. Totally, six models were used to calculate six intrinsic values. Then, the overall results are summarized and SWOT analysis is presented. The final investment recommendation is primarily based on the weighted average of partial results and SWOT analysis and it is clearly summarized in the conclusion.

The steps of calculations are in most cases described by the student however she could have paid more attention to some parts and better clarification (e.g. the estimation of growth rates on page 70). The global analysis is based mainly on historical data with a minimum consideration of future development, so the student might discuss at the defence whether the consideration of some macroeconomic factors could have the impact on the investment recommendation. At the defence, the student could also explain why she considers the industry environment for Coca-Cola as extremely unstable (p. 48) and mention the factors with the main potential effect on company’s revenue.

Overall, it is evident that the student is capable of original and independent work. The work contains minor grammar and typing errors; some parts could have been discussed in more detail. The tables, figures and equations are appropriately included in the text and adequately commented.

Regardless of the comments above, the work satisfies requirements for the elaboration and provides author’s original results. For the reasons above, I recommend the thesis for the oral defence.

Ostrava, May 20, 2015

Ing. Martina Novotná, Ph. D.