



# Midland Bull Test - Going Green? (A) and (B)

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Company and Industry Research

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- The industry is highly competitive; many established brands
- There is a strong demand for "specialty" coffee and Keurig® K-cups
  - The market is growing due to the newness of the product

# Company Performance

- **Growing** Net Income over the past three years
- Net Sales increased by **95%** in 2011 and **46%** more in 2012
- Selling and Operating Expenses and General and Administrative Expenses continue to **decrease** every year
- As a result, Operating Income as a percentage of Net Sales has **increased** from **10.2%** to **14.7%** over three years

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Income Statement

TheCase

Green Mountain Coffee Roasters

Report Date:

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# Balance Sheet (Horizontal Analysis)

## TheCaseSolutions.com

### Green Mountain Coffee Roasters Inc (NMS: GMCR)

Exchange rate used is that of the Year End reported date

#### As Reported Annual Balance Sheet

Report Date	09/29/2012			09/24/2011			09/25/2010
Currency	USD			USD			USD
Audit Status	Not Qualified			Not Qualified			Not Qualified
Consolidated Scale	Yes Thousands	Amount	Percent	Yes Thousands	Amount	Percent	Yes Thousands
Cash & cash equivalents	58,289	45,300	348.76%	12,989	8,588	195.14%	4,401
Restricted cash & cash equivalents	12,884	-14,639	-53.19%	27,523	27,168	7652.96%	355
Receivables, gross	398,288	66,560	20.06%	331,728	145,472	78.10%	186,256
Less: allowance for doubtful accounts	-	-	-	21,407	7,351	52.30%	14,056
Uncollectible accounts & return allowances	34,517	-	-	-	-	-	-
Receivables, net	363,771	53,450	17.22%	310,321	138,121	80.21%	172,200
Raw materials & supplies	229,327	47,116	25.77%	182,811	136,483	294.60%	46,328
Finished goods	538,510	49,073	10.03%	489,437	273,287	126.43%	216,150
Inventories	768,437	96,189	14.31%	672,248	409,770	156.12%	262,478
Income taxes receivable	32,943	14,685	80.43%	18,258	12,908	241.27%	5,350
Other current assets	35,019	6,947	24.75%	28,072	4,584	19.52%	23,488
Deferred income taxes, net	51,613	15,382	42.46%	36,231	9,234	34.20%	26,997
Current assets held for sale	-	-	-	25,885	-	-	-
Total current assets	1,322,956	191,429	16.92%	1,131,527	636,258	128.47%	495,269
Production equipment	544,491	230,342	73.32%	314,149	154,069	96.25%	160,080
Coffee service equipment	63,722	10,403	19.51%	53,319	42,306	384.15%	11,013
Computer equipment & software	111,441	33,064	42.19%	78,377	36,454	86.95%	41,923
Land	11,740	2,950	33.56%	8,790	7,047	404.30%	1,743
Building & building improvements	83,172	28,524	52.20%	54,648	30,694	128.14%	23,954
Furniture & fixtures	28,477	6,858	31.72%	21,619	10,206	89.42%	11,413
Vehicles	10,306	2,446	31.12%	7,860	6,840	670.59%	1,020
Leasehold improvements	72,755	37,259	104.97%	35,496	18,272	106.08%	17,224
Assets acquired under capital leases	51,047	-	-	-	-	-	-
Construction-in-progress	234,442	86,582	58.56%	147,860	75,699	104.90%	72,161
Total fixed assets	1,211,593	489,475	67.78%	722,118	381,587	112.06%	340,531
Accumulated depreciation	267,297	124,398	87.05%	142,899	61,291	75.10%	81,608
Fixed assets, net	944,296	365,077	63.03%	579,219	320,296	123.70%	258,923
Intangibles, net	498,352	-31,142	-5.88%	529,494	309,489	140.67%	220,005
Goodwill	808,076	18,771	2.38%	789,305	402,889	104.26%	386,416
Other long-term assets	42,109	-5,650	-11.83%	47,759	37,798	379.46%	9,961
Long-term assets held for sale	-	-	-	120,583	-	-	-
Total assets	3,615,789	417,902	13.07%	3,197,887	1,827,313	133.32%	1,370,574

# Balance Sheet (Vertical Analysis)

## TheCaseSolutions.com

### Green Mountain Coffee Roasters Inc (NMS: GMCR)

Exchange rate used is that of the Year End reported date

#### As Reported Annual Balance Sheet

Report Date	09/29/2012		09/24/2011		09/25/2010	
Currency	USD		USD		USD	
Audit Status	Not Qualified		Not Qualified		Not Qualified	
Consolidated Scale	Yes Thousands		Yes Thousands		Yes Thousands	
Cash & cash equivalents	58,289	1.61%	12,989	0.41%	4,401	0.32%
Restricted cash & cash equivalents	12,884	0.36%	27,523	0.86%	355	0.03%
Receivables, gross	398,288	11.02%	331,728	10.37%	186,256	13.59%
Less: allowance for doubtful accounts	-		21,407	0.67%	14,056	1.03%
Uncollectible accounts & return allowances	34,517	0.95%	-		-	
Receivables, net	363,771	10.06%	310,321	9.70%	172,200	12.56%
Raw materials & supplies	229,927	6.36%	182,811	5.72%	46,328	3.38%
Finished goods	538,510	14.89%	489,437	15.31%	216,150	15.77%
Inventories	768,437	21.25%	672,248	21.02%	262,478	19.15%
Income taxes receivable	32,943	0.91%	18,258	0.57%	5,350	0.39%
Other current assets	35,019	0.97%	28,072	0.88%	23,488	1.71%
Deferred income taxes, net	51,613	1.43%	36,231	1.13%	26,997	1.97%
Current assets held for sale	-		25,885	0.81%	-	
Total current assets	1,322,956	36.59%	1,131,527	35.38%	495,269	36.14%
Production equipment	544,491	15.06%	314,149	9.82%	160,080	11.68%
Coffee service equipment	63,722	1.76%	53,319	1.67%	11,013	0.80%
Computer equipment & software	111,441	3.08%	78,377	2.45%	41,923	3.06%
Land	11,740	0.32%	8,790	0.27%	1,743	0.13%
Building & building improvements	83,172	2.30%	54,648	1.71%	23,954	1.75%
Furniture & fixtures	28,477	0.79%	21,619	0.68%	11,413	0.83%
Vehicles	10,306	0.29%	7,860	0.25%	1,020	0.07%
Leasehold improvements	72,755	2.01%	35,496	1.11%	17,224	1.26%
Assets acquired under capital leases	51,047	1.41%	-		-	
Construction-in-progress	234,442	6.48%	147,860	4.62%	72,161	5.27%
Total fixed assets	1,211,593	33.51%	722,118	22.58%	340,531	24.85%
Accumulated depreciation	267,297	7.39%	142,899	4.47%	81,608	5.95%
Fixed assets, net	944,296	26.12%	579,219	18.11%	258,923	18.89%
Intangibles, net	498,352	13.78%	529,494	16.56%	220,005	16.05%
Goodwill	808,076	22.35%	789,305	24.68%	386,416	28.19%
Other long-term assets	42,109	1.16%	47,759	1.49%	9,961	0.73%
Long-term assets held for sale	-		120,583	3.77%	-	
Total assets	3,615,789	100.00%	3,197,887	100.00%	1,370,574	100.00%



# Income Statement (Horizontal Analysis)

## TheCaseSolutions.com

### Green Mountain Coffee Roasters Inc (NMS: GMCR)

Exchange rate used is that of the Year End reported date

#### As Reported Annual Income Statement

Report Date	09/29/2012			09/24/2011			09/25/2010
Currency	USD			USD			USD
Audit Status	Not Qualified			Not Qualified			Not Qualified
Consolidated Scale	Yes			Yes			Yes
	Thousands	Amount	Percent	Thousands	Amount	Percent	Thousands
Net sales	3,859,198	1,208,299	45.58%	2,650,899	1,294,124	95.38%	1,356,775
Cost of sales	2,589,799	843,525	48.30%	1,746,274	815,257	87.57%	931,017
Gross profit	1,269,399	364,774	40.32%	904,625	478,867	112.47%	425,758
Selling & operating expenses	481,493	132,797	38.08%	348,696	162,278	87.05%	186,418
General & administrative expenses	219,010	31,994	17.11%	187,016	86,448	85.96%	100,568
Operating income (loss)	568,896	199,983	54.21%	368,913	230,141	165.84%	138,772
Other income (expense), net	1,819	1,171	180.71%	648	917	-340.89%	-269
Gain (loss) on financial instruments, net	-4,945	1,300	-20.82%	-6,245			-
Gain (loss) on foreign currency, net	7,043	9,955	-341.86%	-2,912			-
Gain on sale of subsidiary	26,311			-			-
Interest expense	22,983	-34,674	-60.14%	57,657	52,363	989.10%	5,294
Income (loss) before income taxes - United States	486,258			-			-
Income (loss) before income taxes - Foreign	89,883			-			-
Income (loss) before income taxes	576,141	273,394	90.30%	302,747	169,538	127.27%	133,209
Current federal provision (benefit) for income taxes	75,932			-			-
Deferred federal provision (benefit) for income taxes	74,042			-			-
Total federal provision (benefit) for income taxes	149,974			-			-
Current state & local provision (benefit) for income taxes	40,270			-			-
Deferred state & local provision (benefit) for income taxes	-712			-			-
Total state & local provision (benefit) for income taxes	39,558			-			-
Current foreign provision (benefit) for income taxes	26,860			-			-
Deferred foreign provision (benefit) for income taxes	-3,751			-			-
Total foreign provision (benefit) for income taxes	23,109			-			-
Current federal provision (benefit) for income taxes	-			75,225	33,455	80.09%	41,770
Current state provision (benefit) for income taxes	-			13,939	2,018	16.93%	11,921
Current foreign provision (benefit) for income taxes	-			21,306	14,365	206.96%	6,941
Total current provision (benefit) for income taxes	-			110,470	49,838	82.20%	60,632
Deferred federal provision (benefit) for income taxes	-			-3,327	367	-9.94%	-3,694
Deferred state provision (benefit) for income taxes	-			-1,758	1,477	-45.66%	-3,235
Deferred foreign provision (benefit) for income taxes	-			-3,686			-
Total deferred provision (benefit) for income taxes	-			-8,771	-1,842	26.58%	-6,929
Income tax expense (benefit)	212,641	110,942	109.09%	101,699	47,996	89.37%	53,703
Net income (loss)	363,500	162,452	80.80%	201,048	121,542	152.87%	79,506
Net income (loss) attributable to noncontrolling interests	-872	675	-43.63%	-1,547			-
Net income (loss) attributable to GMCR	362,628	163,127	81.77%	199,501			-

# Income Statement (Vertical Analysis)

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### Green Mountain Coffee Roasters Inc (NMS: GMCR)

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#### As Reported Annual Income Statement

Report Date	09/29/2012		09/24/2011		09/25/2010	
Currency	USD		USD		USD	
Audit Status	Not Qualified		Not Qualified		Not Qualified	
Consolidated Scale	Yes Thousands		Yes Thousands		Yes Thousands	
Net sales	3,859,198	100.00%	2,650,899	100.00%	1,356,775	100.00%
Cost of sales	2,589,799	67.11%	1,746,274	65.87%	931,017	68.62%
Gross profit	1,269,399	32.89%	904,625	34.13%	425,758	31.38%
Selling & operating expenses	481,493	12.48%	348,696	13.15%	186,418	13.74%
General & administrative expenses	219,010	5.68%	187,016	7.05%	100,568	7.41%
Operating income (loss)	568,896	14.74%	368,913	13.92%	138,772	10.23%
Other income (expense), net	1,819	0.05%	648	0.02%	-269	-0.02%
Gain (loss) on financial instruments, net	-4,945	-0.13%	-6,245	-0.24%	-	-
Gain (loss) on foreign currency, net	7,043	0.18%	-2,912	-0.11%	-	-
Gain on sale of subsidiary	26,311	0.68%	-	-	-	-
Interest expense	22,983	0.60%	57,657	2.17%	5,294	0.39%
Income (loss) before income taxes - United States	486,258	12.60%	-	-	-	-
Income (loss) before income taxes - Foreign	89,883	2.33%	-	-	-	-
Income (loss) before income taxes	576,141	14.93%	302,747	11.42%	133,209	9.82%
Current federal provision (benefit) for income taxes	75,932	1.97%	-	-	-	-
Deferred federal provision (benefit) for income taxes	74,042	1.92%	-	-	-	-
Total federal provision (benefit) for income taxes	149,974	3.89%	-	-	-	-
Current state & local provision (benefit) for income taxes	40,270	1.04%	-	-	-	-
Deferred state & local provision (benefit) for income taxes	-712	-0.02%	-	-	-	-
Total state & local provision (benefit) for income taxes	39,558	1.03%	-	-	-	-
Current foreign provision (benefit) for income taxes	26,860	0.70%	-	-	-	-
Deferred foreign provision (benefit) for income taxes	-3,751	-0.10%	-	-	-	-
Total foreign provision (benefit) for income taxes	23,109	0.60%	-	-	-	-
Current federal provision (benefit) for income taxes	-	-	75,225	2.84%	41,770	3.08%
Current state provision (benefit) for income taxes	-	-	13,939	0.53%	11,921	0.88%
Current foreign provision (benefit) for income taxes	-	-	21,306	0.80%	6,941	0.51%
Total current provision (benefit) for income taxes	-	-	110,470	4.17%	60,632	4.47%
Deferred federal provision (benefit) for income taxes	-	-	-3,327	-0.13%	-3,694	-0.27%
Deferred state provision (benefit) for income taxes	-	-	-1,758	-0.07%	-3,235	-0.24%
Deferred foreign provision (benefit) for income taxes	-	-	-3,686	-0.14%	-	-
Total deferred provision (benefit) for income taxes	-	-	-8,771	-0.33%	-6,929	-0.51%
Income tax expense (benefit)	212,641	5.51%	101,699	3.84%	53,703	3.96%
Net income (loss)	363,500	9.42%	201,048	7.58%	79,506	5.86%
Net income (loss) attributable to noncontrolling interests	-872	-0.02%	-1,547	-0.06%	-	-
Net income (loss) attributable to GMCR	362,628	9.40%	199,501	7.53%	-	-



011	09/25/2010
3.76	7.3
0.85	16.16
011	09/25/2010
0.73	0.71
2.4	2.08
011	09/25/2010
0.3	0.48
6.4	26.21

## Financial Ratios To Observe

- GMCR has a **higher** Return on Investment than their top competitor, Farmer Brothers Co.
- GMCR's ROI has **increased** for the past 3 years (16.16%, 20.85%, 21.17% respectively)
- Farmer Bros. ROI has been **negative** for the past 3 years (-18.64%, -36.52%, -17.6% respectively)
- GMCR has a **better** Current Ratio which has recently been measured at 2.54 (FARM is at 1.47)

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## Farmer

### Farmer Bros.

Exchange rate used is

#### Profitability Ratios

ROA % (Net)  
ROI % (Operating)

#### Liquidity Ratios

**Quick Ratio**  
Current Ratio

#### Debt Management

LT Debt to Equity  
Total Debt to Equity