

Chapter 4

Financial structure INBEV

The financial structure of INBEV is as follows:

Item	(€)
Common stock (0.75 par per share)	432
Paid in premium	6,483
Retained earnings	2,027
Long term loans	3,805
Bank overdraft	100
Trade payables	3,284
Other short term debt	2,465
	18,596

- For what (average) price have shares been issued in the past?
- What is the book value per share?
- Show what items would change and for what amounts if INBEV were to issue 100 new shares for €40 each.
- Suppose INBEV is expected to pay an annual dividend of €3.15 per share and the market value per share is. What required rate do the stockholders have if the market price per share is €45?

Solutions INBEV

- Number of shares is $\frac{€432}{€0.75} = 567$. The issue price per share was $\frac{(€432 + €6,483)}{576} = €12$.
- Book value = $\frac{(€432 + €6,483 + €2,027)}{576} = €15.52$.
- Common stock: $100 * €0.75 = + €7.50$, Paid premium: $100 * €39.25 = + €392.5$
- $\frac{€3.15}{€45} = 7\%$.