

ModernGraham Valuation

Company Name:

Celgene Corporation

Company Ticker CELG

Date of Analysis

12/11/2015



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$88,224,304,580	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.23	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-567.15%	Fail
6. Moderate PEmg Ratio	PEmg < 20	53.52	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	16.26	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	3.23	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.04	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.07
MG Growth Estimate	15.00%
MG Value	\$79.50
MG Value based on 3% Growth	\$29.94
MG Value based on 0% Growth	\$17.55
Market Implied Growth Rate	22.51%

MG Opinion

Current Price	\$110.52
% of Intrinsic Value	139.01%
Opinion	Overvalued

Stage 3: Information for Further Research

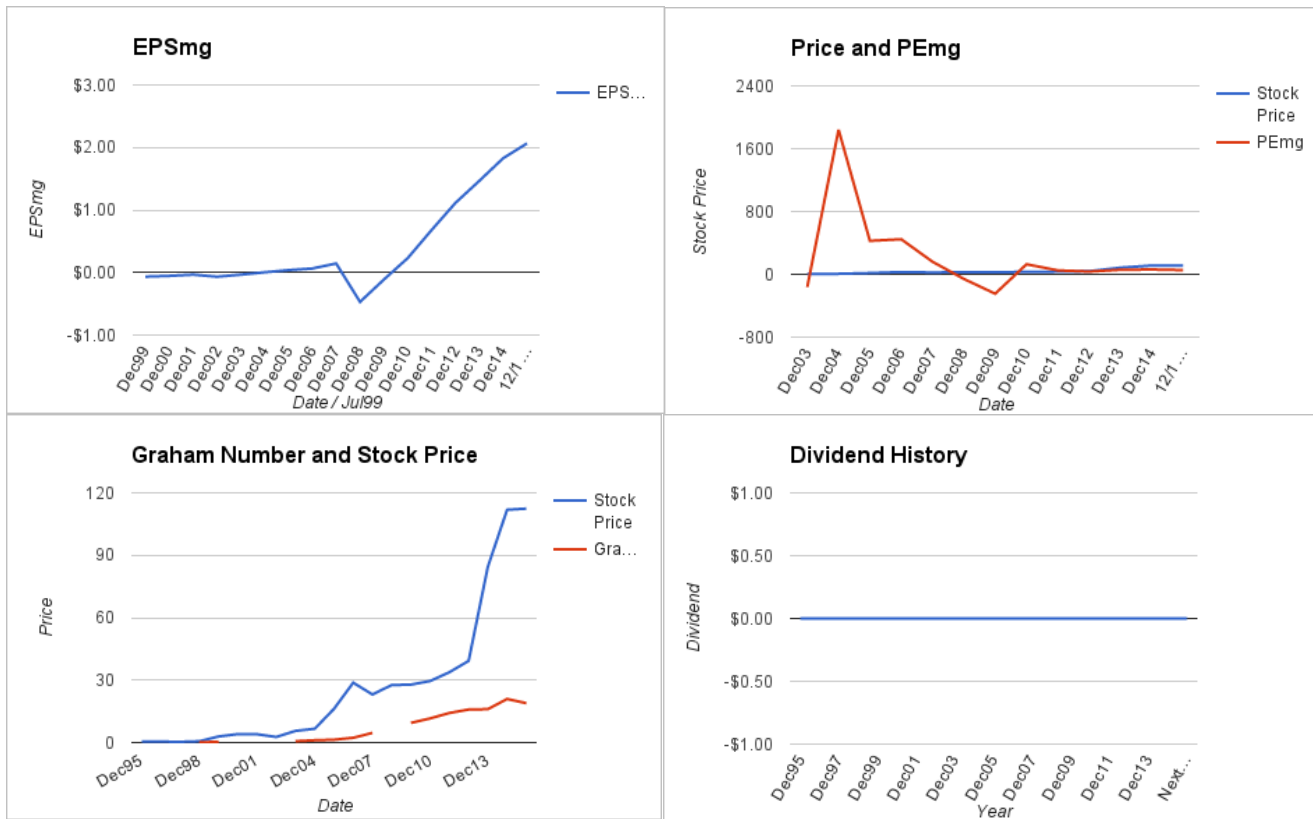
Net Current Asset Value (NCAV)	-\$14.97
Graham Number	\$18.92
PEmg	53.52
Current Ratio	3.23
PB Ratio	16.26
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.33	Next Fiscal Year Estimate	\$2.07
Dec14	\$2.39	Dec14	\$1.83
Dec13	\$1.68	Dec13	\$1.47
Dec12	\$1.65	Dec12	\$1.11
Dec11	\$1.43	Dec11	\$0.68
Dec10	\$0.94	Dec10	\$0.23
Dec09	\$0.83	Dec09	-\$0.11
Dec08	-\$1.73	Dec08	-\$0.47
Dec07	\$0.27	Dec07	\$0.14
Dec06	\$0.09	Dec06	\$0.06
Dec05	\$0.09	Dec05	\$0.04
Dec04	\$0.08	Dec04	\$0.00
Dec03	\$0.04	Dec03	-\$0.03
Dec02	-\$0.15	Dec02	-\$0.07
Dec01	\$0.00	Dec01	-\$0.03
Dec00	-\$0.03	Dec00	-\$0.05
Dec99	-\$0.05	Dec99	-\$0.07
Dec98	-\$0.06	Balance Sheet Information Sep15	
Dec97	-\$0.09	Total Current Assets	\$10,152,400,000
Dec96	-\$0.08	Total Current Liabilities	\$3,143,900,000
Dec95	-\$0.05	Long-Term Debt	\$14,297,900,000
		Total Assets	\$27,369,200,000
		Intangible Assets	\$15,457,800,000
		Total Liabilities	\$21,993,700,000
		Shares Outstanding (Diluted Average)	791,100,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [Celgene Corporation Analysis – September 2015 Update \\$CELG](#)
- [Celgene Corporation Stock Analysis – May 2015 Quarterly Update](#)
- [28 Companies in the Spotlight This Week – 2/28/15](#)
- [Celgene Corporation Quarterly Valuation – February 2015 \\$CELG](#)
- [30 Companies in the Spotlight This Week – 11/15/14](#)

Other ModernGraham posts about related companies

- [Merck & Co Valuation – November 2015 Update \\$MRK](#)
- [Zoetis Inc. Valuation – October 2015 Update \\$ZTS](#)
- [Biogen Inc. Valuation – October 2015 Update \\$BIIB](#)
- [Perrigo Company PLC Analysis – October 2015 Update \\$PRGO](#)
- [Amgen Inc. Analysis – September 2015 Update \\$AMGN](#)
- [Pfizer Inc Analysis – September 2015 Update \\$PFE](#)
- [Johnson & Johnson Analysis – September 2015 Update \\$JNJ](#)
- [Celgene Corporation Analysis – September 2015 Update \\$CELG](#)
- [Allergan PLC Analysis – August 2015 Update \\$AGN](#)
- [The Best Companies of the Pharmaceuticals Industry – August 2015](#)