ModernGraham Valuation

MG
ModernGraham

Endo International plc
- Ordinary Shares

Company Name:

Company Ticker	ENDP
Date of Analysis	7/16/2017

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	$2,675,119,400	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.13	Fail
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	-389.28%	Fail
6.	Moderate PEmg Ratio	PEmg < 20	-2.27	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.22	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	1.13	Fail
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	30.07	Fail
3.	Earnings Stability	Positive EPS for 5 years prior		Fail
4.	Dividend Record	Currently Pays Dividend		Fail
5.	Earnings Growth	EPSmg greater than 5 years ago		Fail
		Score		

Suitability

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg	-$5.28
MG Growth Estimate	-4.25%
MG Value	**$0.00**
MG Value based on 3% Growth	-$76.52
MG Value based on 0% Growth	-$44.86
Market Implied Growth Rate	-5.39%

MG Opinion

Current Price	$11.99
% of Intrinsic Value	N/A
Opinion	**Overvalued**
MG Grade	**C-**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$39.00
Graham Number	$31.89
PEmg	-2.27
Current Ratio	1.13
PB Ratio	1.22
Current Dividend	$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

EPS History		EPSmg History	
Next Fiscal Year Estimate	$3.73	Next Fiscal Year Estimate	-$5.28
Dec2016	-$15.03	Dec2016	-$9.14
Dec2015	-$7.59	Dec2015	-$5.65
Dec2014	-$4.60	Dec2014	-$3.99
Dec2013	-$5.72	Dec2013	-$2.86
Dec2012	-$6.40	Dec2012	-$0.84
Dec2011	$1.55	Dec2011	$1.94
Dec2010	$2.20	Dec2010	$2.04
Dec2009	$2.27	Dec2009	$1.88
Dec2008	$2.06	Dec2008	$1.62
Dec2007	$1.69	Dec2007	$1.32
Dec2006	$1.03	Dec2006	$1.06
Dec2005	$1.52	Dec2005	$0.91
Dec2004	$1.08	Dec2004	$0.38
Dec2003	$0.53	Dec2003	-$0.08
Dec2002	$0.30	Dec2002	-$0.39
Dec2001	-$0.40	Dec2001	-$0.65
Dec2000	-$1.97	**Balance Sheet Information**	**3/1/2017**
Dec1999	$0.05	Total Current Assets	$2,332,721,000
Dec1998	$0.00	Total Current Liabilities	$2,059,164,000
Dec1997	$0.00	Long-Term Debt	$8,224,559,000
		Total Assets	$13,218,650,000
		Intangible Assets	$10,138,192,000
		Total Liabilities	$11,030,597,000
		Shares Outstanding (Diluted Average)	223,014,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History
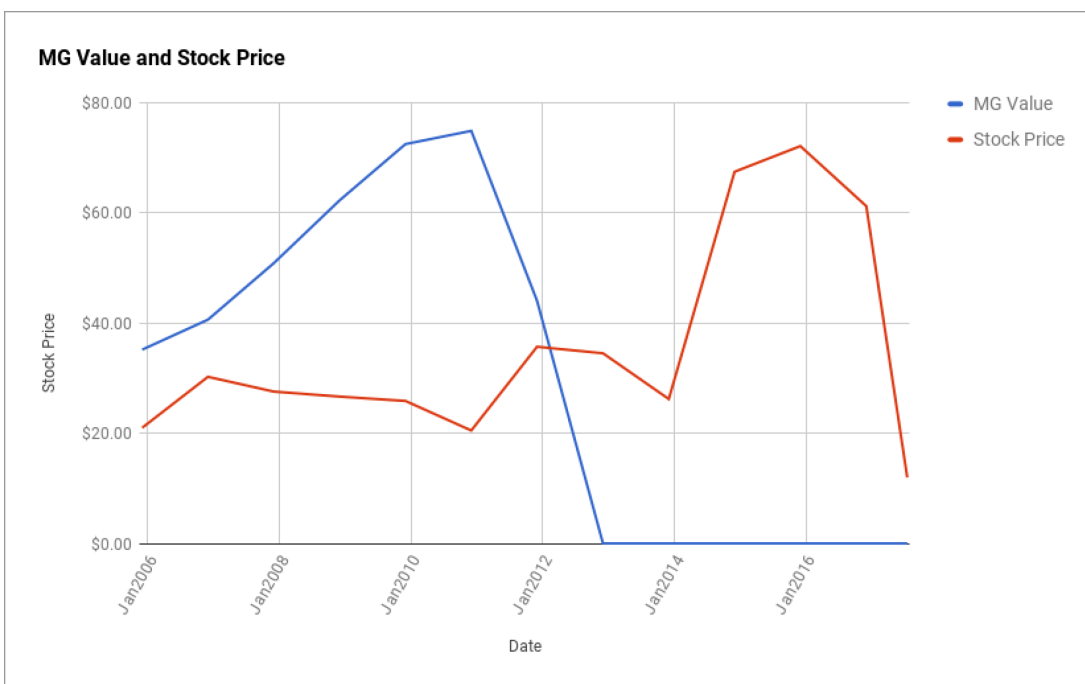
Disclaimer:

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	Endo International plc Analysis – Initial Coverage $ENDP

Other ModernGraham posts about related companies	Mylan NV Valuation – March 2017 $MYL
	Amgen Inc Valuation – March 2017 $AMGN
	Celgene Corporation Valuation – March 2017 $CELG
	Ligand Pharmaceuticals Inc Valuation – Initial Coverage $LGND
	Pfizer Inc Valuation – March 2017 $PFE
	Supernus Pharmaceuticals Inc Valuation – Initial Coverage $SUPN
	Lannett Company Inc Valuation – Initial Coverage $LCI
	Spectrum Pharmaceuticals Inc Valuation – Initial Coverage $SPPI
	Abbott Laboratories Valuation – January 2017 $ABT
	Johnson & Johnson Valuation – January 2017 $JNJ