

ModernGraham Valuation

Company Name:

Allergan PLC

Company Ticker AGN

Date of Analysis

8/21/2015



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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Earnings Growth		
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	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

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-0.84
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$12.14
MG Value based on 0% Growth	-\$7.12
Market Implied Growth Rate	-183.60%

MG Opinion

Current Price	\$300.35
% of Intrinsic Value	N/A
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$142.27
PEmg	-358.70
Current Ratio	1.37
PB Ratio	1.64
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	\$5.87	Next Fiscal Year Estimate	-\$0.84
Dec14	-\$7.42	Dec14	-\$3.35
Dec13	-\$5.27	Dec13	-\$0.81
Dec12	\$0.76	Dec12	\$1.50
Dec11	\$2.06	Dec11	\$1.84
Dec10	\$1.48	Dec10	\$1.31
Dec09	\$1.96	Dec09	\$0.96
Dec08	\$2.09	Dec08	\$0.41
Dec07	\$1.27	Dec07	-\$0.21
Dec06	-\$4.37	Dec06	-\$0.54
Dec05	\$1.22	Dec05	\$1.38
Dec04	\$1.26	Dec04	\$1.45
Dec03	\$1.74	Dec03	\$1.55
Dec02	\$1.62	Dec02	\$1.45
Dec01	\$1.07	Dec01	\$1.36
Dec00	\$1.52	Dec00	\$1.43
Dec99	\$1.82	Dec99	\$1.29
Dec98	\$1.22	Balance Sheet Information Jun15	
Dec97	\$1.01	Total Current Assets	\$10,486,900,000
Dec96	\$0.89	Total Current Liabilities	\$7,649,500,000
Dec95	\$0.56	Long-Term Debt	\$41,319,400,000
		Total Assets	\$138,411,100,000
		Intangible Assets	\$124,421,300,000
		Total Liabilities	\$66,342,000,000
		Shares Outstanding (Diluted Average)	392,600,000



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.

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