

ModernGraham Valuation

Company Name: Alexion Pharmaceuticals, Inc.

Company Ticker ALXN

Date of Analysis

8/12/2015



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	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	Fail
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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	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	2.41
MG Growth Estimate	15.00%
MG Value	\$92.71
MG Value based on 3% Growth	\$34.92
MG Value based on 0% Growth	\$20.47
Market Implied Growth Rate	34.36%

MG Opinion

Current Price	\$185.93
% of Intrinsic Value	200.55%
Opinion	Overvalued

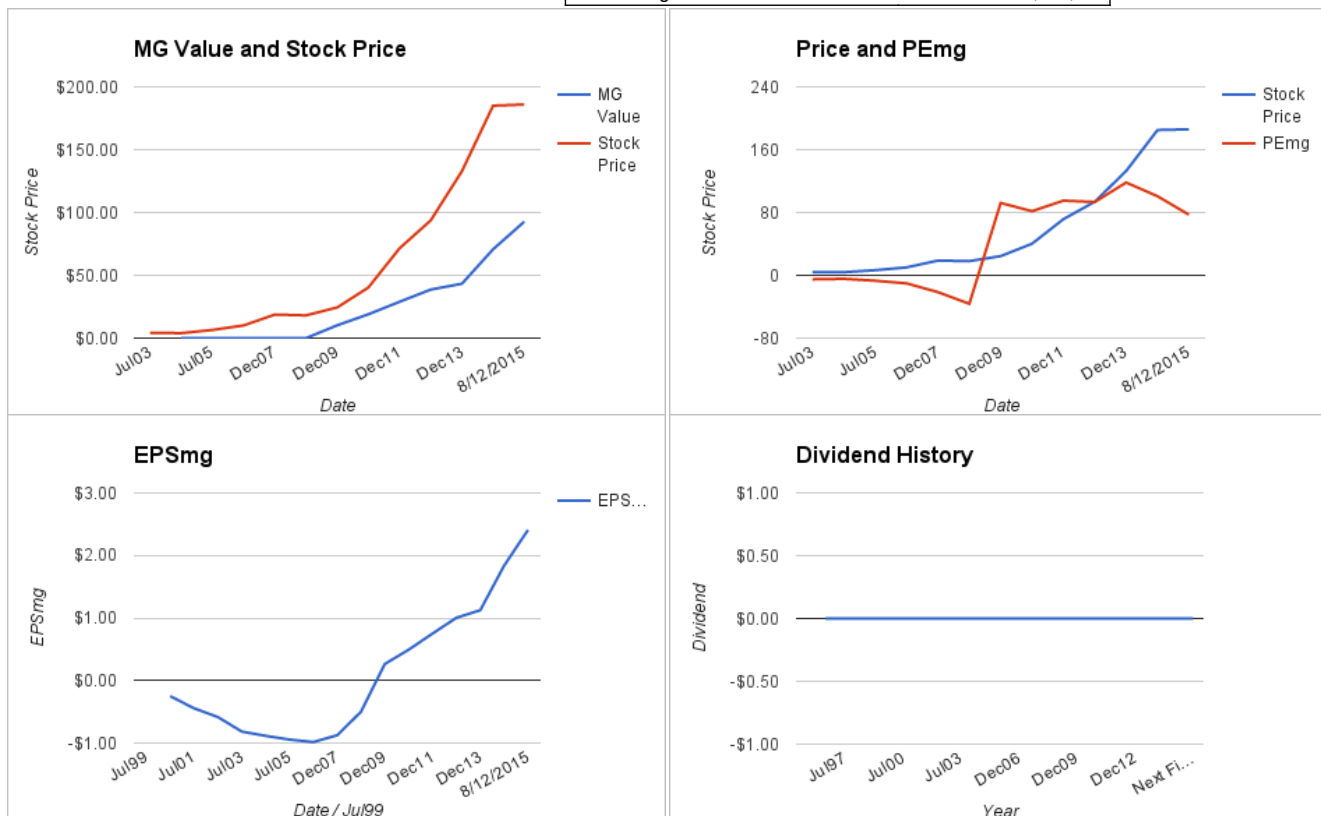
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$10.18
PEmg	77.21
Current Ratio	3.29
PB Ratio	4.45
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	\$3.16	Next Fiscal Year Estimate	\$2.41
Dec14	\$3.26	Dec14	\$1.84
Dec13	\$1.27	Dec13	\$1.12
Dec12	\$1.28	Dec12	\$1.00
Dec11	\$0.91	Dec11	\$0.75
Dec10	\$0.52	Dec10	\$0.49
Dec09	\$1.63	Dec09	\$0.26
Dec08	\$0.20	Dec08	-\$0.50
Dec07	-\$0.64	Dec07	-\$0.88
Dec06	-\$1.04	Dec06	-\$0.98
Jul05	-\$0.98	Jul05	-\$0.94
Jul04	-\$0.86	Jul04	-\$0.88
Jul03	-\$1.16	Jul03	-\$0.82
Jul02	-\$0.78	Jul02	-\$0.58
Jul01	-\$0.82	Jul01	-\$0.44
Jul00	-\$0.36	Jul00	-\$0.25
Jul99	-\$0.14	Jul99	#VALUE!
Jul98	-\$0.22	Balance Sheet Information Jun15	
Jul97	-\$0.24	Total Current Assets	\$2,533,238,000
Jul96	-\$0.24	Total Current Liabilities	\$769,169,000
Jul95	-	Long-Term Debt	\$3,498,310,000
		Total Assets	\$13,167,720,000
		Intangible Assets	\$9,831,662,000
		Total Liabilities	\$4,614,848,000
		Outstanding Shares	204,546,000



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.