

ModernGraham Valuation



Company Name:

Pfizer Inc.

Company Ticker PFE

Date of Analysis

9/11/2015

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	\$202,880,906,930	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.14	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	26.44%	Fail
6. Moderate PEmg Ratio	PEmg < 20	16.87	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.06	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	2.14	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.97	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.94
MG Growth Estimate	9.72%
MG Value	\$54.29
MG Value based on 3% Growth	\$28.18
MG Value based on 0% Growth	\$16.52
Market Implied Growth Rate	4.18%

MG Opinion

Current Price	\$32.78
% of Intrinsic Value	60.38%
Opinion	Undervalued

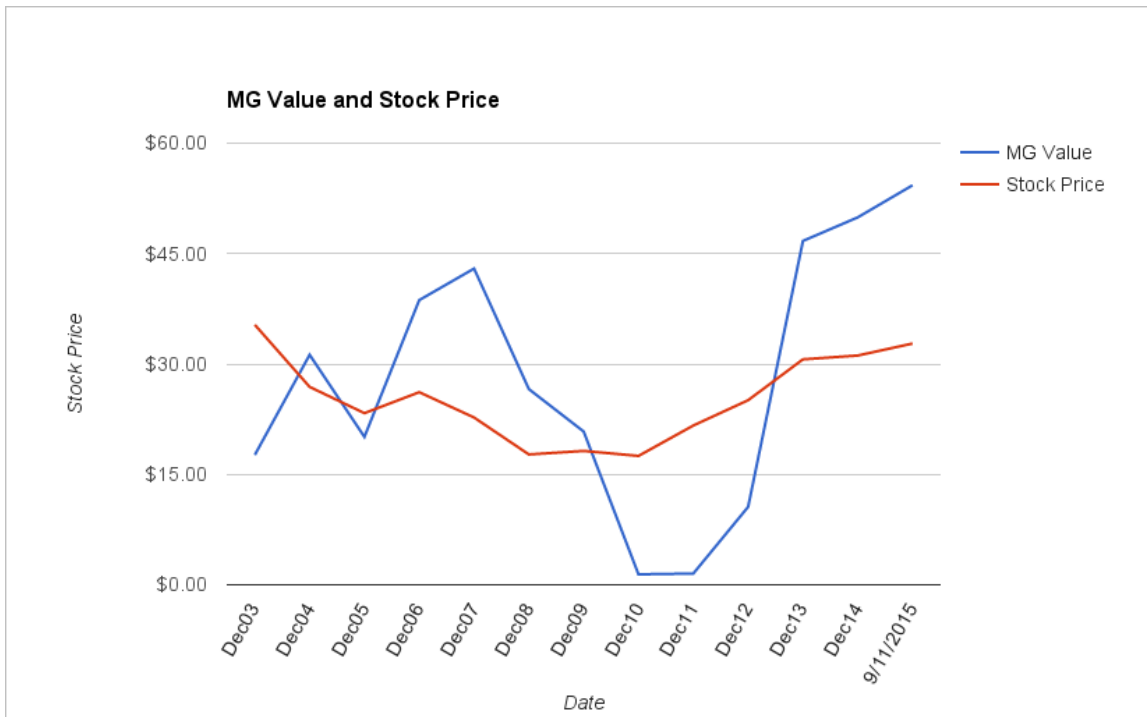
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$6.77
Graham Number	\$20.68
PEmg	16.87
Current Ratio	2.14
PB Ratio	3.06
Dividend Yield	3.29%
Number of Consecutive Years of Dividend Growth	5

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	\$1.75	Next Fiscal Year Estimate	\$1.94
Dec14	\$1.42	Dec14	\$1.95
Dec13	\$3.19	Dec13	\$2.05
Dec12	\$1.94	Dec12	\$1.43
Dec11	\$1.27	Dec11	\$1.18
Dec10	\$1.02	Dec10	\$1.24
Dec09	\$1.23	Dec09	\$1.39
Dec08	\$1.20	Dec08	\$1.49
Dec07	\$1.17	Dec07	\$1.55
Dec06	\$2.66	Dec06	\$1.64
Dec05	\$1.09	Dec05	\$1.14
Dec04	\$1.49	Dec04	\$1.13
Dec03	\$0.54	Dec03	\$0.95
Dec02	\$1.46	Dec02	\$1.10
Dec01	\$1.22	Dec01	\$0.88
Dec00	\$0.59	Dec00	\$0.69
Dec99	\$0.82	Dec99	\$0.71
Dec98	\$0.85	Balance Sheet Information Jun15	
Dec97	\$0.57	Total Current Assets	\$51,715,000,000
Dec96	\$0.50	Total Current Liabilities	\$24,143,000,000
Dec95	\$0.42	Long-Term Debt	\$26,729,000,000
		Total Assets	\$160,878,000,000
		Intangible Assets	\$74,995,000,000
		Total Liabilities	\$93,984,000,000
		Shares Outstanding (Diluted Average)	6,243,000,000





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

- [10 Undervalued Companies for the Enterprising Dividend Stock Investor – August 2015](#)
- [The Best Companies of the Pharmaceuticals Industry – August 2015](#)
- [5 Undervalued Dow Stocks to Research – August 2015](#)
- [5 Undervalued Companies with a Low Beta – August 2015](#)
- [5 Undervalued Dow Stocks to Research – July 2015](#)

Other
ModernGraham
posts about related
companies

- [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](#)
- [Alexion Pharmaceuticals Inc. Analysis – August 2015 Update \\$ALXN](#)
- [Akorn Inc. Analysis – Initial Coverage \\$AKRX](#)
- [Zoetis Inc. Analysis – July 2015 Update \\$ZTS](#)
- [Mallinckrodt PLC Analysis – Initial Coverage \\$MNK](#)
- [Biogen IDEC Inc. Analysis – July 2015 Update \\$BIIB](#)
- [Vertex Pharmaceuticals Analysis – July 2015 Update \\$VRTX](#)