

ModernGraham Valuation

Company Name:

Biogen Inc

Company Ticker

BIIB

Date of Analysis

10/15/2015



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	\$61,363,694,621	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.20	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	558.25%	Pass
6. Moderate PEmg Ratio	PEmg < 20	24.19	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.90	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	2.20	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.19	Pass
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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$10.80
MG Growth Estimate	15.00%
MG Value	\$415.85
MG Value based on 3% Growth	\$156.62
MG Value based on 0% Growth	\$91.81
Market Implied Growth Rate	7.85%

MG Opinion

Current Price	\$261.30
% of Intrinsic Value	62.83%
Opinion	Undervalued

Stage 3: Information for Further Research

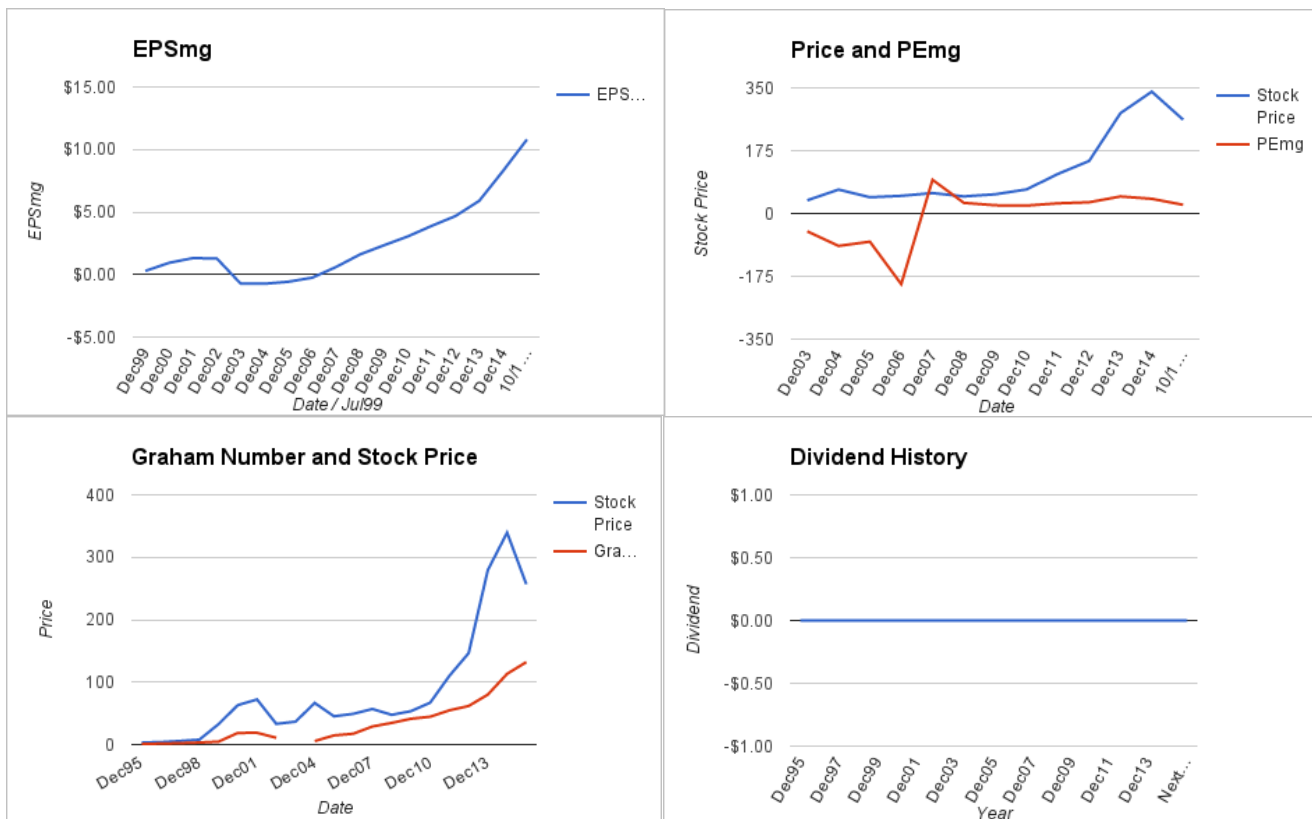
Net Current Asset Value (NCAV)	\$6.08
Graham Number	\$132.11
PEmg	24.19
Current Ratio	2.20
PB Ratio	4.90
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$14.51	Next Fiscal Year Estimate	\$10.80
Dec14	\$12.37	Dec14	\$8.29
Dec13	\$7.81	Dec13	\$5.90
Dec12	\$5.76	Dec12	\$4.68
Dec11	\$5.04	Dec11	\$3.89
Dec10	\$3.94	Dec10	\$3.04
Dec09	\$3.35	Dec09	\$2.34
Dec08	\$2.65	Dec08	\$1.61
Dec07	\$1.99	Dec07	\$0.61
Dec06	\$0.63	Dec06	-\$0.25
Dec05	\$0.47	Dec05	-\$0.58
Dec04	\$0.07	Dec04	-\$0.74
Dec03	-\$4.92	Dec03	-\$0.74
Dec02	\$0.85	Dec02	\$1.27
Dec01	\$1.78	Dec01	\$1.32
Dec00	\$2.16	Dec00	\$0.94
Dec99	\$0.47	Dec99	\$0.29
Dec98	\$0.30	Balance Sheet Information Jun15	
Dec97	\$0.20	Total Current Assets	\$5,618,985,000
Dec96	\$0.09	Total Current Liabilities	\$2,555,832,000
Dec95	\$0.03	Long-Term Debt	\$576,207,000
		Total Assets	\$16,759,170,000
		Intangible Assets	\$6,449,132,000
		Total Liabilities	\$4,186,594,000
		Shares Outstanding (Diluted Average)	235,718,000





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

- [The Best Companies of the Pharmaceuticals Industry – August 2015](#)
- [The 20 Best Stocks For Value Investors This Week – 7/25/15](#)
- [Biogen IDEC Inc. Analysis – July 2015 Update \\$BIIB](#)
- [Biogen IDEC Quarterly Valuation – April 2015 \\$BIIB](#)
- [Biogen Idec Inc. Quarterly Valuation – January 2015 \\$BIIB](#)

Other ModernGraham posts about related companies

- [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](#)
- [Alexion Pharmaceuticals Inc. Analysis – August 2015 Update \\$ALXN](#)
- [Akorn Inc. Analysis – Initial Coverage \\$AKRX](#)
- [Zoetis Inc. Analysis – July 2015 Update \\$ZTS](#)