

ModernGraham Valuation

Company Name:

Company Ticker PRGO

Date of Analysis

1/26/2016

Perrigo Company plc
Ordinary Shares



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	\$21,822,692,000 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.73 Fail
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	173.94% Pass
6. Moderate PEmg Ratio	PEmg < 20	36.82 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.04 Pass

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	1.73 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.29 Fail
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	\$4.04
MG Growth Estimate	4.11%
MG Value	\$67.66
MG Value based on 3% Growth	\$58.65
MG Value based on 0% Growth	\$34.38
Market Implied Growth Rate	14.16%

MG Opinion

Current Price	\$148.94
% of Intrinsic Value	220.11%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$41.46
Graham Number	\$112.08
PEmg	36.82
Current Ratio	1.73
PB Ratio	2.04
Dividend Yield	0.32%
Number of Consecutive Years of Dividend Growth	14

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	\$7.61	Next Fiscal Year Estimate	\$4.04
Jun15	\$0.92	Jun15	\$2.53
Jun14	\$1.77	Jun14	\$3.34
Jun13	\$4.68	Jun13	\$3.85
Jun12	\$4.27	Jun12	\$3.17
Jun11	\$3.63	Jun11	\$2.40
Jun10	\$2.41	Jun10	\$1.66
Jun09	\$1.54	Jun09	\$0.85
Jun08	\$1.43	Jun08	\$0.30
Jun07	\$0.79	Jun07	-\$0.25
Jun06	\$0.76	Jun06	-\$0.60
Jun05	-\$4.57	Jun05	-\$0.97
Jun04	\$1.11	Jun04	\$0.75
Jun03	\$0.76	Jun03	\$0.51
Jun02	\$0.60	Jun02	\$0.29
Jun01	\$0.33	Jun01	\$0.12
Jun00	\$0.23	Jun00	\$0.06
Jun99	\$0.02	Balance Sheet Information Sep15 Total Current Assets \$2,880,800,000 Total Current Liabilities \$1,661,200,000 Long-Term Debt \$5,229,900,000 Total Assets \$19,703,100,000 Intangible Assets \$15,645,400,000 Total Liabilities \$8,971,100,000 Shares Outstanding (Diluted Average) 146,900,000	
Jun98	-\$0.69		
Jun97	\$0.58		
Jun96	\$0.52		





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:

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ModernGraham
posts about the
company

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[Perrigo Company Analysis – July 2015 Update \\$PRGO](#)
[24 Companies in the Spotlight This Week – 3/28/15](#)
[Perrigo Company plc Quarterly Valuation – March 2015 \\$PRGO](#)
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[Merck & Co Valuation – November 2015 Update \\$MRK](#)
[Zoetis Inc. Valuation – October 2015 Update \\$ZTS](#)
[Biogen Inc. Valuation – October 2015 Update \\$BIIB](#)
[Perrigo Company PLC Analysis – October 2015 Update \\$PRGO](#)
[Amgen Inc. Analysis – September 2015 Update \\$AMGN](#)
[Pfizer Inc Analysis – September 2015 Update \\$PFE](#)
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