

ModernGraham Valuation

Company Name:

Amgen, Inc.

Company Ticker AMGN

Date of Analysis

2/17/2016



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	\$115,869,714,418	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.44	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	137.48%	Pass
6. Moderate PEmg Ratio	PEmg < 20	17.68	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.12	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	4.44	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.98	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	\$8.54
MG Growth Estimate	12.10%
MG Value	\$279.39
MG Value based on 3% Growth	\$123.87
MG Value based on 0% Growth	\$72.61
Market Implied Growth Rate	4.59%

MG Opinion

Current Price	\$151.07
% of Intrinsic Value	54.07%
Opinion	Undervalued
MG Grade	B

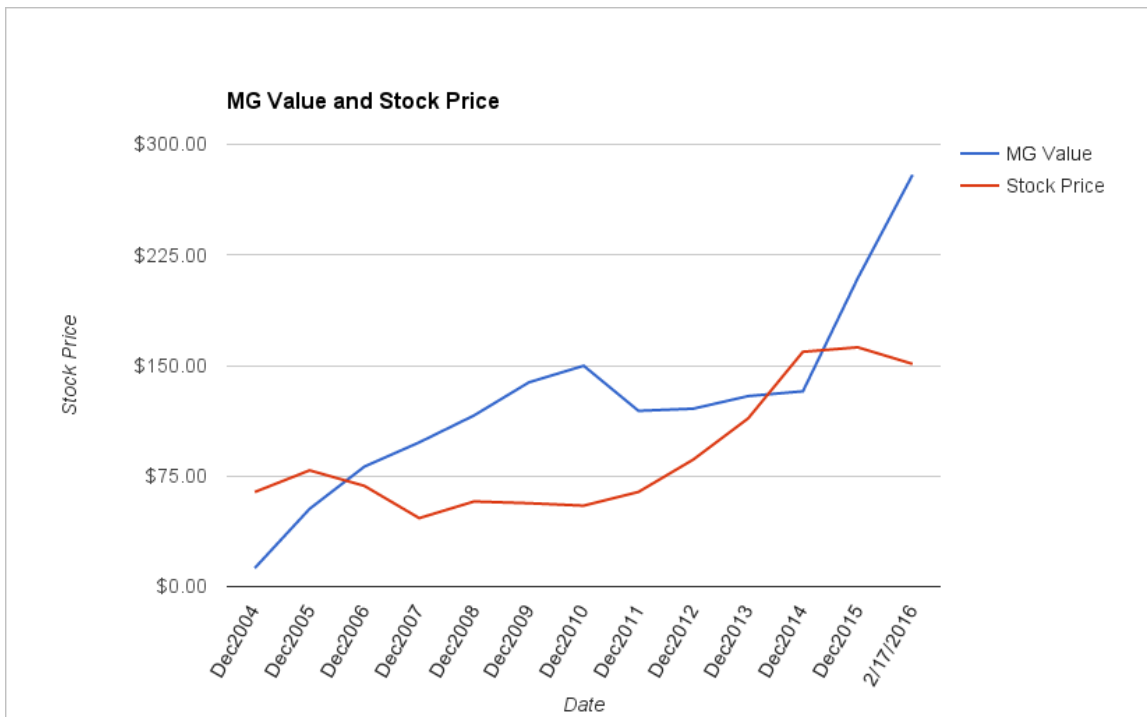
Stage 3: Information for Further Research

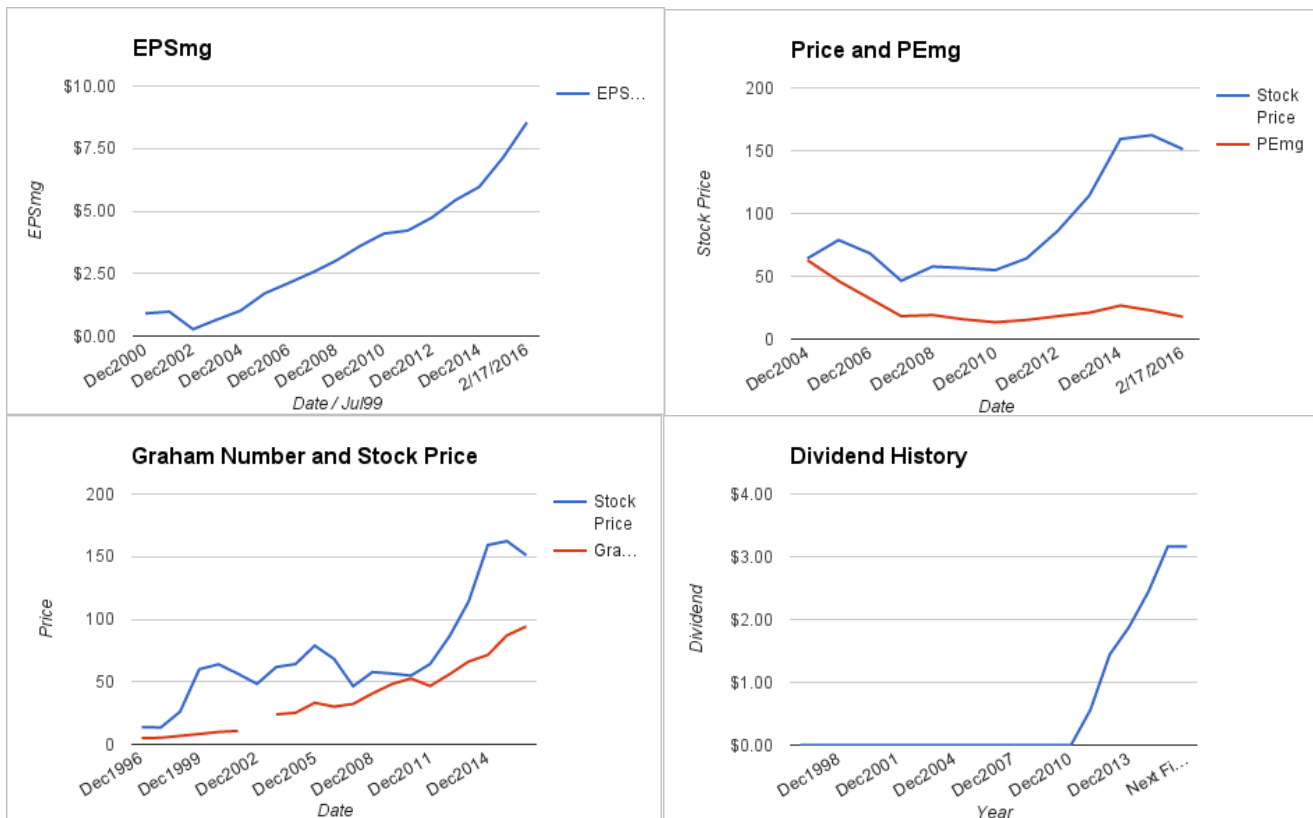
Net Current Asset Value (NCAV)	-\$6.49
Graham Number	\$94.23
PEmg	17.68
Current Ratio	4.44
PB Ratio	4.12
Dividend Yield	2.09%
Number of Consecutive Years of Dividend Growth	6

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	\$10.60	Next Fiscal Year Estimate	\$8.54
Dec2015	\$9.06	Dec2015	\$7.14
Dec2014	\$6.70	Dec2014	\$5.97
Dec2013	\$6.64	Dec2013	\$5.43
Dec2012	\$5.52	Dec2012	\$4.73
Dec2011	\$4.04	Dec2011	\$4.22
Dec2010	\$4.79	Dec2010	\$4.09
Dec2009	\$4.51	Dec2009	\$3.60
Dec2008	\$3.77	Dec2008	\$3.02
Dec2007	\$2.82	Dec2007	\$2.54
Dec2006	\$2.48	Dec2006	\$2.11
Dec2005	\$2.93	Dec2005	\$1.70
Dec2004	\$1.81	Dec2004	\$1.02
Dec2003	\$1.69	Dec2003	\$0.65
Dec2002	-\$1.21	Dec2002	\$0.27
Dec2001	\$1.03	Dec2001	\$0.98
Dec2000	\$1.05	Dec2000	\$0.90
Dec1999	\$1.02	Balance Sheet Information	Dec2015
Dec1998	\$0.82	Total Current Assets	\$38,518,000,000
Dec1997	\$0.59	Total Current Liabilities	\$8,667,000,000
Dec1996	\$0.61	Long-Term Debt	\$29,306,000,000
		Total Assets	\$71,576,000,000
		Intangible Assets	\$26,428,000,000
		Total Liabilities	\$43,493,000,000
		Shares Outstanding (Diluted Average)	766,000,000





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

- [5 Undervalued Companies with a Low Beta – October 2015](#)
- [The Best Companies of the Pharmaceuticals Industry – August 2015](#)
- [The 10 Best Stocks For Value Investors This Week – 6/20/15](#)
- [Amgen Inc. Analysis – June 2015 Update \\$AMGN](#)
- [18 Companies in the Spotlight This Week – 3/21/15](#)

Other
ModernGraham
posts about related
companies

- [Pfizer Inc Valuation – February 2016 \\$PFE](#)
- [Biogen Inc Valuation – February 2016 Update \\$BIIB](#)
- [Perrigo Co PLC Valuation – January 2016 Update \\$PRGO](#)
- [Pfizer Inc Valuation – February 2016 \\$PFE](#)
- [Biogen Inc Valuation – February 2016 Update \\$BIIB](#)
- [Perrigo Co PLC Valuation – January 2016 Update \\$PRGO](#)
- [Johnson & Johnson Valuation – January 2016 Update \\$JNJ](#)
- [Mylan NV Valuation – January 2016 Update \\$MYL](#)
- [Celgene Corp Valuation – December 2015 Update \\$CELG](#)
- [Merck & Co Valuation – November 2015 Update \\$MRK](#)