

ModernGraham Valuation

Company Name:

Biogen Inc

Company Ticker

BIIB

Date of Analysis

2/2/2016



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	\$60,732,914,937	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.60	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	456.67%	Pass
5. Earnings Growth	PEmg < 20	19.70	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.36	Fail
7. Moderate Price to Assets			

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	2.60	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.58	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	\$13.58
MG Growth Estimate	15.00%
MG Value	\$522.89
MG Value based on 3% Growth	\$196.93
MG Value based on 0% Growth	\$115.44
Market Implied Growth Rate	5.60%

MG Opinion

Current Price	\$267.57
% of Intrinsic Value	51.17%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.39
Graham Number	\$126.09
PEmg	19.70
Current Ratio	2.60
PB Ratio	6.36
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	\$16.80	Next Fiscal Year Estimate	\$13.58
Dec2015	\$15.31	Dec2015	\$11.07
Dec2014	\$12.37	Dec2014	\$8.29
Dec2013	\$7.81	Dec2013	\$5.90
Dec2012	\$5.76	Dec2012	\$4.68
Dec2011	\$5.04	Dec2011	\$3.89
Dec2010	\$3.94	Dec2010	\$3.04
Dec2009	\$3.35	Dec2009	\$2.34
Dec2008	\$2.65	Dec2008	\$1.61
Dec2007	\$1.99	Dec2007	\$0.61
Dec2006	\$0.63	Dec2006	-\$0.25
Dec2005	\$0.47	Dec2005	-\$0.58
Dec2004	\$0.07	Dec2004	-\$0.74
Dec2003	-\$4.92	Dec2003	-\$0.74
Dec2002	\$0.85	Dec2002	\$1.27
Dec2001	\$1.78	Dec2001	\$1.32
Dec2000	\$2.16	Dec2000	\$0.94
Dec1999	\$0.47	Balance Sheet Information Dec2015	
Dec1998	\$0.30	Total Current Assets	\$6,700,300,000
Dec1997	\$0.20	Total Current Liabilities	\$2,577,700,000
Dec1996	\$0.09	Long-Term Debt	\$6,521,500,000
		Total Assets	\$19,504,800,000
		Intangible Assets	\$6,748,900,000
		Total Liabilities	\$10,129,900,000
		Shares Outstanding (Diluted Average)	222,900,000





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.

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