ModernGraham Valuation

Company Name: Pfizer Inc.

Company Ticker PFE

Date of Analysis 2/8/2016

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	$176,483,365,247	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.62	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	24.65%	Fail
6. Moderate PEmg Ratio	PEmg < 20	14.93	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.67	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	1.62	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.69	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	$1.91
MG Growth Estimate	9.34%
MG Value	**$51.99**
MG Value based on 3% Growth	$27.74
MG Value based on 0% Growth	$16.26
Market Implied Growth Rate	3.21%

MG Opinion

Current Price		$28.56
% of Intrinsic Value		54.94%
Opinion	**Undervalued**	

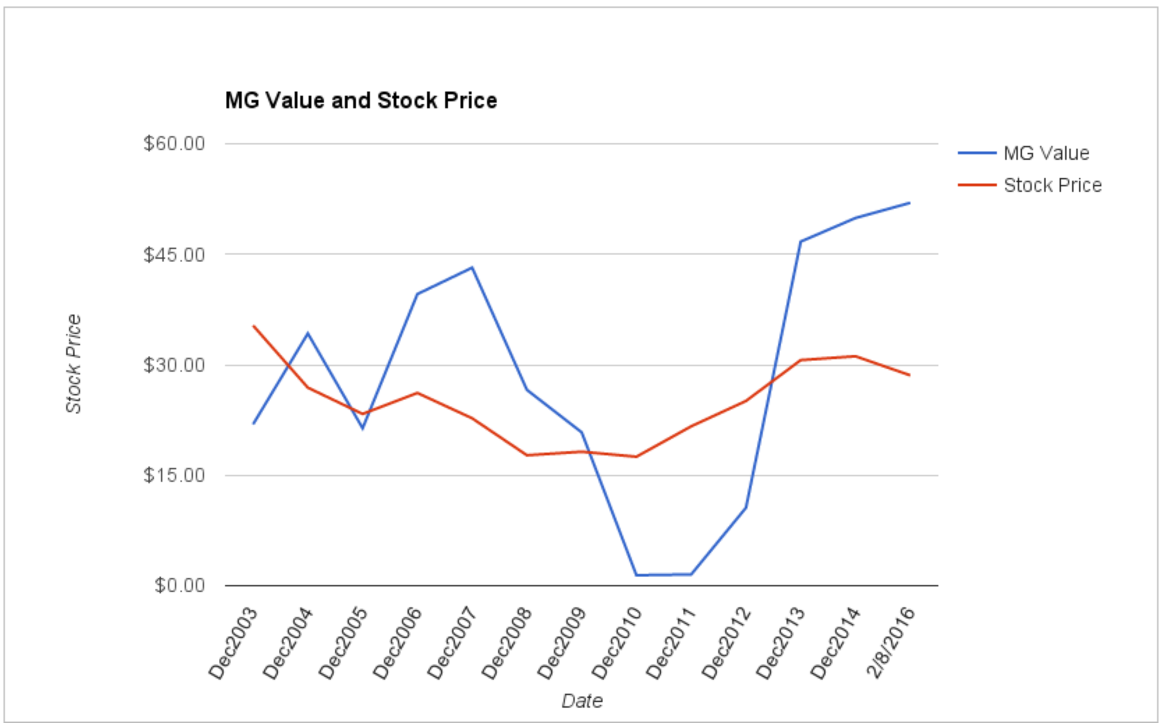
Stage 3: Information for Further Research

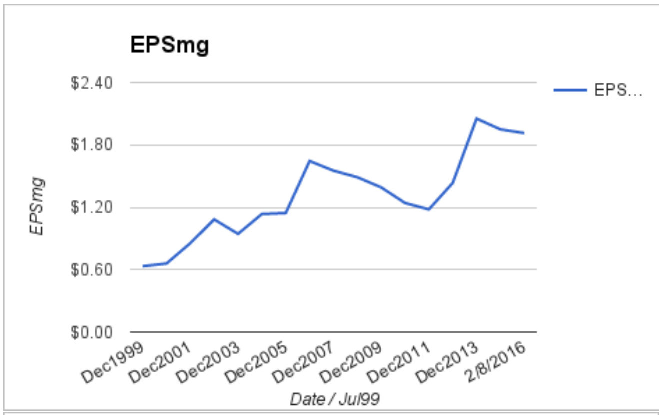
Net Current Asset Value (NCAV)	-$9.46
Graham Number	$20.11
PEmg	14.93
Current Ratio	1.62
PB Ratio	2.67
Dividend Yield	3.85%
Number of Consecutive Years of Dividend Growth	5

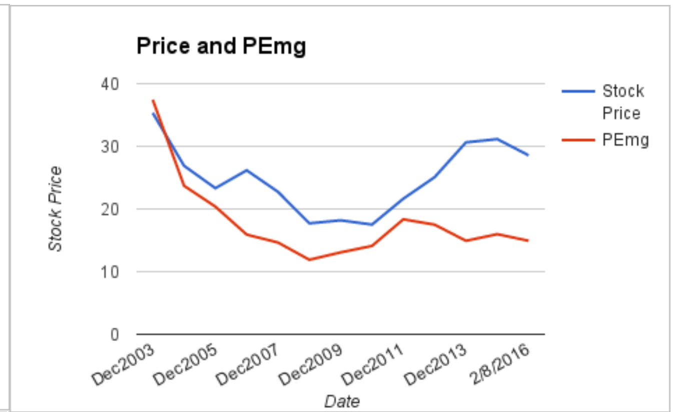
Useful Links:

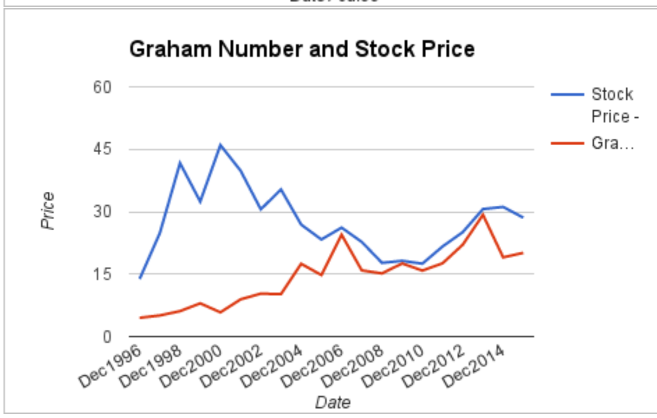
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

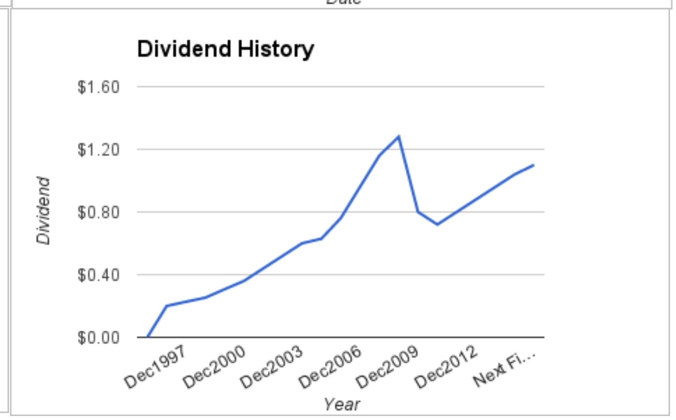
EPS History		**EPSmg History**	
Next Fiscal Year Estimate	$1.66	Next Fiscal Year Estimate	$1.91
Dec2014	$1.42	Dec2014	$1.95
Dec2013	$3.19	Dec2013	$2.05
Dec2012	$1.94	Dec2012	$1.43
Dec2011	$1.27	Dec2011	$1.18
Dec2010	$1.02	Dec2010	$1.24
Dec2009	$1.23	Dec2009	$1.39
Dec2008	$1.20	Dec2008	$1.49
Dec2007	$1.17	Dec2007	$1.55
Dec2006	$2.66	Dec2006	$1.64
Dec2005	$1.09	Dec2005	$1.14
Dec2004	$1.49	Dec2004	$1.13
Dec2003	$0.54	Dec2003	$0.94
Dec2002	$1.46	Dec2002	$1.08
Dec2001	$1.22	Dec2001	$0.85
Dec2000	$0.59	Dec2000	$0.66
Dec1999	$0.78	Dec1999	$0.63
Dec1998	$0.73	**Balance Sheet Information**	**Sep2015**
Dec1997	$0.56	Total Current Assets	$45,001,000,000
Dec1996	$0.50	Total Current Liabilities	$27,845,000,000
Dec1995	$0.00	Long-Term Debt	$29,079,000,000
		Total Assets	$170,867,000,000
		Intangible Assets	$90,514,000,000
		Total Liabilities	$104,029,000,000
		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 Enterprising Dividend Investors – November 2015 15 Best Stocks For Value Investors This Week – 9/12/15 Pfizer Inc Analysis – September 2015 Update $PFE 10 Undervalued Companies for the Enterprising Dividend Stock Investor – August 2015 The Best Companies of the Pharmaceuticals Industry – August 2015
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