

ModernGraham Valuation

Company Name:

Company Ticker PRGO

Date of Analysis

7/30/2016

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	\$13,044,717,400	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.42	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	98.66%	Pass
6. Moderate PEmg Ratio	PEmg < 20	44.74	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.33	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	1.42	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	6.67	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.04
MG Growth Estimate	-2.24%
MG Value	\$8.21
MG Value based on 3% Growth	\$29.62
MG Value based on 0% Growth	\$17.36
Market Implied Growth Rate	18.12%

MG Opinion

Current Price	\$91.39
% of Intrinsic Value	1113.18%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$48.22
Graham Number	\$0.00
PEmg	44.74
Current Ratio	1.42
PB Ratio	1.33
Current Dividend	\$0.52
Dividend Yield	0.57%
Number of Consecutive Years of Dividend Growth	13

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EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$0.53	Next Fiscal Year Estimate	\$2.04
Jun2014	\$1.77	Jun2014	\$3.34
Jun2013	\$4.68	Jun2013	\$3.85
Jun2012	\$4.27	Jun2012	\$3.17
Jun2011	\$3.63	Jun2011	\$2.40
Jun2010	\$2.40	Jun2010	\$1.65
Jun2009	\$1.54	Jun2009	\$0.85
Jun2008	\$1.43	Jun2008	\$0.30
Jun2007	\$0.79	Jun2007	-\$0.25
Jun2006	\$0.76	Jun2006	-\$0.60
Jun2005	-\$4.57	Jun2005	-\$0.96
Jun2004	\$1.11	Jun2004	\$0.77
Jun2003	\$0.76	Jun2003	\$0.54
Jun2002	\$0.67	Jun2002	\$0.33
Jun2001	\$0.37	Jun2001	\$0.14
Jun2000	\$0.26	Jun2000	\$0.07
Jun1999	\$0.02	Jun1999	\$0.05
Jun1998	-\$0.69	Balance Sheet Information 3/1/2016	
Jun1997	\$0.58	Total Current Assets	\$2,974,500,000
Jun1996	\$0.52	Total Current Liabilities	\$2,089,200,000
Jun1995	\$0.58	Long-Term Debt	\$5,902,700,000
		Total Assets	\$19,726,200,000
		Intangible Assets	\$15,552,100,000
		Total Liabilities	\$9,878,900,000
		Shares Outstanding (Diluted Average)	143,200,000





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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