# **ModernGraham Valuation**

**Company Name:** 

Company Ticker MNK Date of Analysis

8/28/2016



Fail

Pass

## 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	\$8,035,560,137	Pass
2. 3	Sufficiently Strong Financial Condition	Current Ratio > 2	1.68	Fail
3.	Earnings Stability	Positive EPS for 10 years prior		Fail
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	14833.33%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	33.19	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.57	Pass
Enterprising Investor; mus	st pass 4 out of the following 5 tests, or be	suitable for the Defensive Investor.		
1. 5	Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.68	Pass
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	9.56	Fail
3.	Earnings Stability	Positive EPS for 5 years prior		Fail

Currently Pays Dividend

EPSmg greater than 5 years ago

Mallinckrodt PLC

Suitability			

Defensive	No
Enterprising	No

#### Stage 2: Determination of Intrinsic Value

4. Dividend Record

5. Earnings Growth

	EPSmg		\$2.26
	MG Growth Estimate		7.99%
	MG Value		\$55.27
	MG Value based on 3% Growth		\$32.73
	MG Value based on 0% Growth		\$19.19
	Market Implied Growth Rate		12.34%
MG Opinion			
	Current Price		\$74.92
	% of Intrinsic Value		135.55%
	Opinion	Overvalued	
	MG Grade	C-	

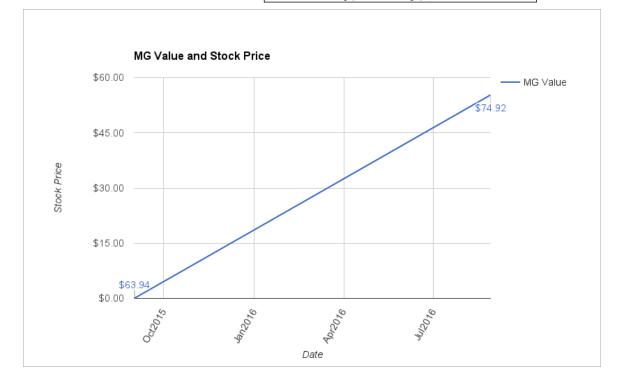
### Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$82.25
Graham Number	\$85.08
PEmg	33.19
Current Ratio	1.68
PB Ratio	1.57
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year Estimate	¢6 65	Next Fiscal Year Estimate	\$2.26
	\$0.05		\$2.20
Sep2015			
Sep2014	-\$4.92	Sep2014	-\$0.55
Sep2013	\$1.02		\$1.48
Sep2012	\$2.33		\$1.47
Sep2011	\$2.61		\$0.87
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information	6/1/2016
Dec1998	\$0.00	Total Current Assets	\$1,626,300,000
Dec1997	\$0.00	Total Current Liabilities	\$969,500,000
Dec1996	\$0.00	Long-Term Debt	\$6,279,000,000
		Total Assets	\$15,833,200,000
		Intangible Assets	\$12,904,000,000
		Total Liabilities	\$10,624,400,000
		Shares Outstanding (Diluted Average)	109,400,000





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
 5 Speculative and Overvalued Companies to Avoid – July 2015

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 5 Additional Additectuare Additectuare Additiona Additectuare Additional Addition

 
 Other ModernGraham posts about related companies
 Vertex Pharmaceuticals Inc Valuation – August 2016 \$VRTX

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 Regeneron Pharmaceuticals Inc Valuation – August 2016 \$ABC

 Perrigo Co PLC Valuation – July 2016 \$PRGO

 AbbVie Inc Valuation – July 2016 \$ABBV

 Gilead Sciences Inc Valuation – July 2016 \$GILD