# ModernGraham Valuation

## Company Name: Regeneron Pharmaceuticals Inc

Company Ticker REGN

Date of Analysis 8/4/2016

## 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 | $46,218,576,706 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 3.41 | Pass |
| 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 | -580.81% | Fail |
| 6. Moderate PEmg Ratio | PEmg < 20 | 76.12 | Fail |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 13.15 | 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 | 3.41 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 0.00 | Pass |
| 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** | **Yes** |

## Stage 2: Determination of Intrinsic Value

| | | |
|---|---|---|
| EPSmg | | $5.69 |
| MG Growth Estimate | | 15.00% |
| **MG Value** | | **$219.22** |
| MG Value based on 3% Growth | | $82.56 |
| MG Value based on 0% Growth | | $48.40 |
| Market Implied Growth Rate | | 33.81% |

*MG Opinion*

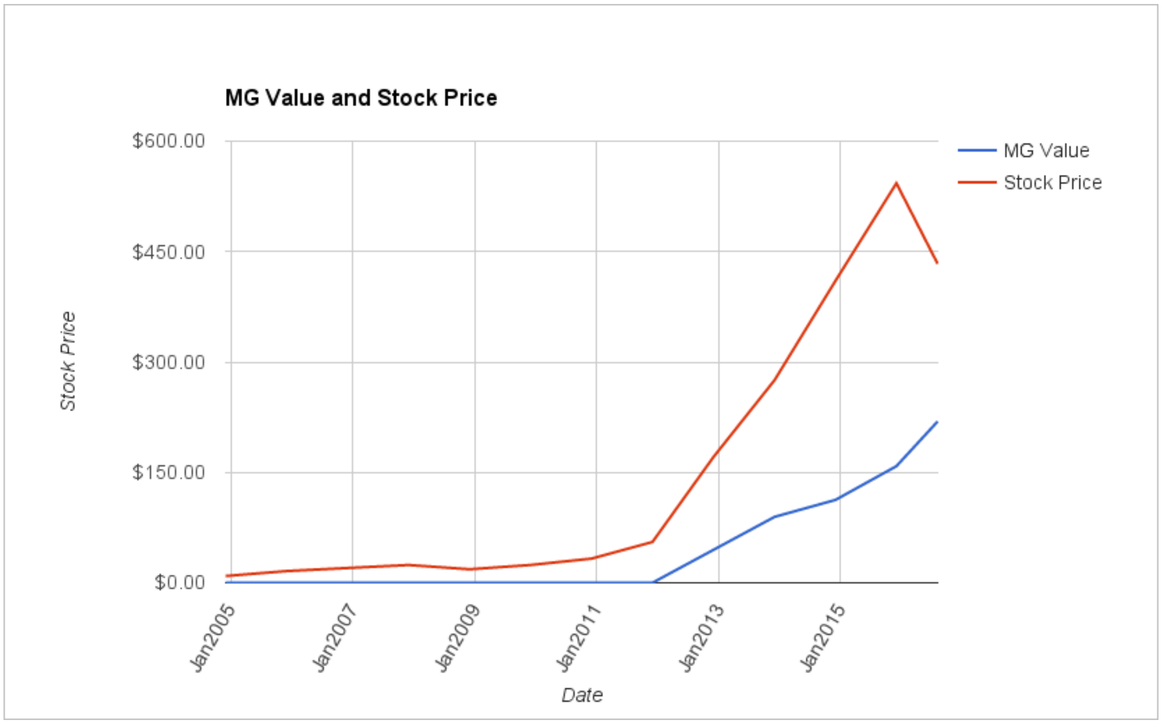
| | | |
|---|---|---|
| Current Price | | $433.40 |
| % of Intrinsic Value | | 197.70% |
| **Opinion** | **Overvalued** | |
| **MG Grade** | **C-** | |

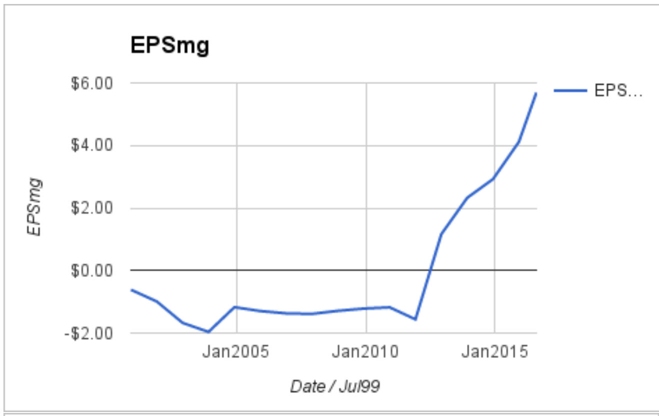
## Stage 3: Information for Further Research

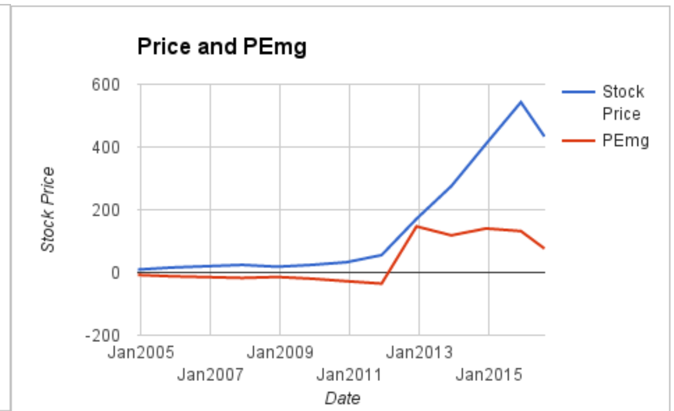
| | |
|---|---|
| Net Current Asset Value (NCAV) | $8.70 |
| Graham Number | $80.54 |
| PEmg | 76.12 |
| Current Ratio | 3.41 |
| PB Ratio | 13.15 |
| Current Dividend | $0.00 |
| Dividend Yield | 0.00% |
| Number of Consecutive Years of Dividend Growth | 0 |

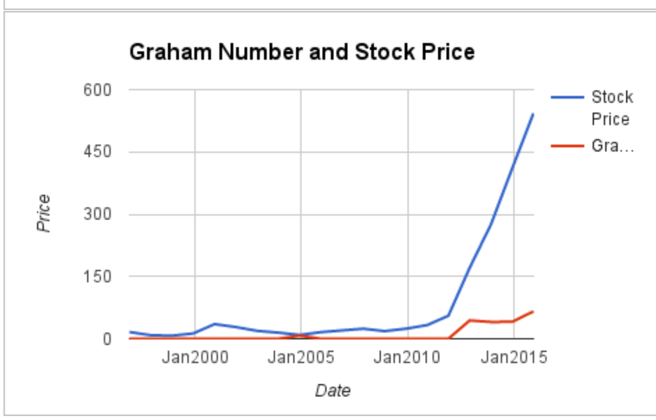
| Useful Links: | | |
|---|---|---|
| | ModernGraham tagged articles | Morningstar |
| | Google Finance | MSN Money |
| | Yahoo Finance | Seeking Alpha |
| | GuruFocus | SEC Filings |

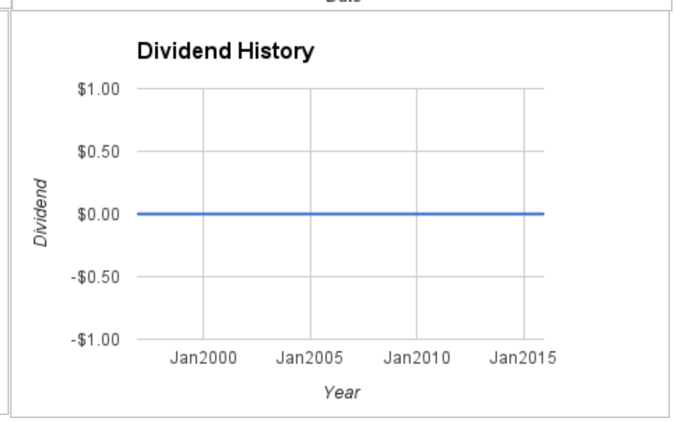
| EPS History | | EPSmg History | |
|---|---|---|---|
| Next Fiscal Year Estimate | $8.04 | Next Fiscal Year Estimate | $5.69 |
| Dec2015 | $5.52 | Dec2015 | $4.12 |
| Dec2014 | $2.98 | Dec2014 | $2.92 |
| Dec2013 | $3.72 | Dec2013 | $2.33 |
| Dec2012 | $6.75 | Dec2012 | $1.16 |
| Dec2011 | -$2.45 | Dec2011 | -$1.56 |
| Dec2010 | -$1.26 | Dec2010 | -$1.18 |
| Dec2009 | -$0.85 | Dec2009 | -$1.22 |
| Dec2008 | -$1.00 | Dec2008 | -$1.29 |
| Dec2007 | -$1.59 | Dec2007 | -$1.39 |
| Dec2006 | -$1.77 | Dec2006 | -$1.37 |
| Dec2005 | -$1.71 | Dec2005 | -$1.30 |
| Dec2004 | $0.74 | Dec2004 | -$1.17 |
| Dec2003 | -$2.13 | Dec2003 | -$1.96 |
| Dec2002 | -$2.83 | Dec2002 | -$1.68 |
| Dec2001 | -$1.81 | Dec2001 | -$0.99 |
| Dec2000 | -$0.66 | Dec2000 | -$0.61 |
| Dec1999 | -$0.74 | **Balance Sheet Information** | **3/1/2016** |
| Dec1998 | -$0.28 | Total Current Assets | $3,133,379,000 |
| Dec1997 | -$0.40 | Total Current Liabilities | $919,724,000 |
| Dec1996 | -$1.32 | Long-Term Debt | $0 |
| | | Total Assets | $5,904,460,000 |
| | | Intangible Assets | $0 |
| | | Total Liabilities | $2,139,378,000 |
| | | Shares Outstanding (Diluted Average) | 114,228,000 |






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:

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|---|---|
| **Other ModernGraham posts about the company** | Regeneron Pharmaceuticals Inc. Annual Valuation – 2015 $REGN<br>16 Companies in the Spotlight this Week – 4/19/14<br>Regeneron Pharmaceuticals Inc. (REGN) Annual Valuation – 2014 |
| **Other ModernGraham posts about related companies** | AmerisourceBergen Corp Valuation – July 2016 $ABC<br>Perrigo Co PLC Valuation – July 2016 $PRGO<br>AbbVie Inc Valuation – July 2016 $ABBV<br>Gilead Sciences Inc Valuation – July 2016 $GILD<br>Eli Lilly and Company Valuation – July 2016 $LLY<br>Zoetis Inc Valuation – June 2016 $ZTS<br>Merck & Co Inc Valuation – March 2016 $MRK<br>Bristol-Myers Squibb Company Valuation – February 2016 $BMY<br>Amgen Inc Valuation – February 2016 $AMGN<br>Merck & Co Inc Valuation – March 2016 $MRK |