# **ModernGraham Valuation**

## **Company Name:**

Alexion Pharmaceuticals, Inc.



Company Ticker Date of Analysis

12/20/2016

### 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.

ALXN

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$24,979,334,534 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.11 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	441.18% Pass

60.73 Fail 6. Moderate PEmg Ratio PEmg < 20 7. Moderate Price to Assets PB Ratio < 2.5 OR PB\*PEmg < 50 3.10 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	3.11 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.78 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
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	\$1.92
MG Growth Estimate	13.72%
MG Value	\$69.09
MG Value based on 3% Growth	\$27.87
MG Value based on 0% Growth	\$16.34
Market Implied Growth Rate	26.11%

MG Opinion

Current Price \$116.72 % of Intrinsic Value 168.93%

Opinion Overvalued MG Grade

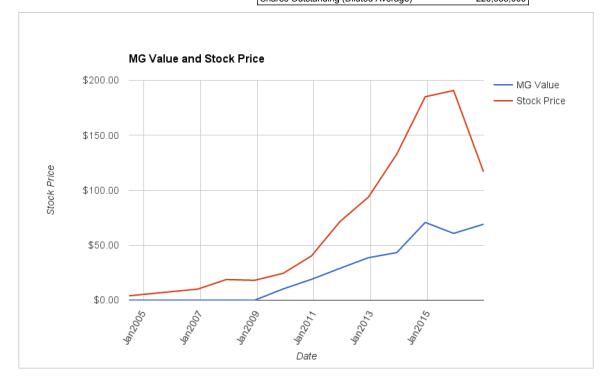
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.71
Graham Number	\$46.28
PEmg	60.73
Current Ratio	3.11
PB Ratio	3.10
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	
Growth	0

**Useful Links:** ModernGraham tagged articles

Morningstar MSN Money **Google Finance** Yahoo Finance Seeking Alpha **SEC Filings GuruFocus** 

EPS History		EPSmg History	
Next Fiscal Year	** = -		***
Estimate	•	Next Fiscal Year Estimate	\$1.92
Dec2015	\$0.67	Dec2015	\$1.58
Dec2014	\$3.26	Dec2014	\$1.84
Dec2013	\$1.27	Dec2013	\$1.12
Dec2012	\$1.28	Dec2012	\$1.00
Dec2011	\$0.91	Dec2011	\$0.75
Dec2010	\$0.52	Dec2010	\$0.49
Dec2009	\$1.63	Dec2009	\$0.26
Dec2008	\$0.20	Dec2008	-\$0.50
Dec2007	-\$0.64	Dec2007	-\$0.88
Dec2006	-\$1.04	Dec2006	-\$0.98
Jul2005	-\$0.98	Jul2005	-\$0.94
Jul2004	-\$0.86	Jul2004	-\$0.88
Jul2003	-\$1.16	Jul2003	-\$0.82
Jul2002	-\$0.78	Jul2002	-\$0.58
Jul2001	-\$0.82	Jul2001	-\$0.44
Jul2000	-\$0.36	Jul2000	-\$0.25
Jul1999	-\$0.14	Balance Sheet Information	9/1/2016
Jul1998	-\$0.22	Total Current Assets	\$2,594,534,000
Jul1997	-\$0.24	Total Current Liabilities	\$834,341,000
Jul1996	-\$0.24	Long-Term Debt	\$3,129,384,000
		Total Assets	\$13,293,462,000
		Intangible Assets	\$9,505,170,000
		Total Liabilities	\$4,789,359,000
		Shares Outstanding (Diluted Average)	226,088,000





#### 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:**

ModernGraham posts about the company

Alexion Pharmaceuticals Inc. Analysis - August 2015 Update \$ALXN

47 Companies in the Spotlight This Week - 5/16/15

Alexion Pharmaceuticals Quarterly Valuation - May 2015 \$ALXN

58 Companies in the Spotlight This Week - 1/31/15

Alexion Pharmaceuticals Inc. Quarterly Valuation - January 2015 \$ALXN

Other ModernGraham posts about related companies

SciClone Pharmaceuticals Inc Valuation - Initial Coverage \$SCLN

Regeneron Pharmaceuticals Inc Valuation - November 2016 \$REGN

Merck & Co Inc Valuation - August 2016 \$MRK

Mallinckrodt PLC Valuation - August 2016 \$MNK

Vertex Pharmaceuticals Inc Valuation - August 2016 \$VRTX

Amgen Inc Valuation - August 2016 \$AMGN

Pfizer Inc Valuation - August 2016 \$PFE

Abbott Laboratories Valuation - August 2016 \$ABT Johnson & Johnson Valuation - August 2016 \$JNJ

Regeneron Pharmaceuticals Inc Valuation - August 2016 \$REGN