

ModernGraham Valuation

Company Name:

Company Ticker SPPI

Date of Analysis

2/9/2017

Spectrum
Pharmaceuticals, Inc.



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	\$417,369,293	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.71	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 beginning and end	19.52%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-7.08	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.63	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	3.71	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.62	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.73
MG Growth Estimate	-4.25%
MG Value	\$0.41
MG Value based on 3% Growth	-\$10.57
MG Value based on 0% Growth	-\$6.19
Market Implied Growth Rate	-7.79%

MG Opinion

Current Price	\$5.16
% of Intrinsic Value	1248.83%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

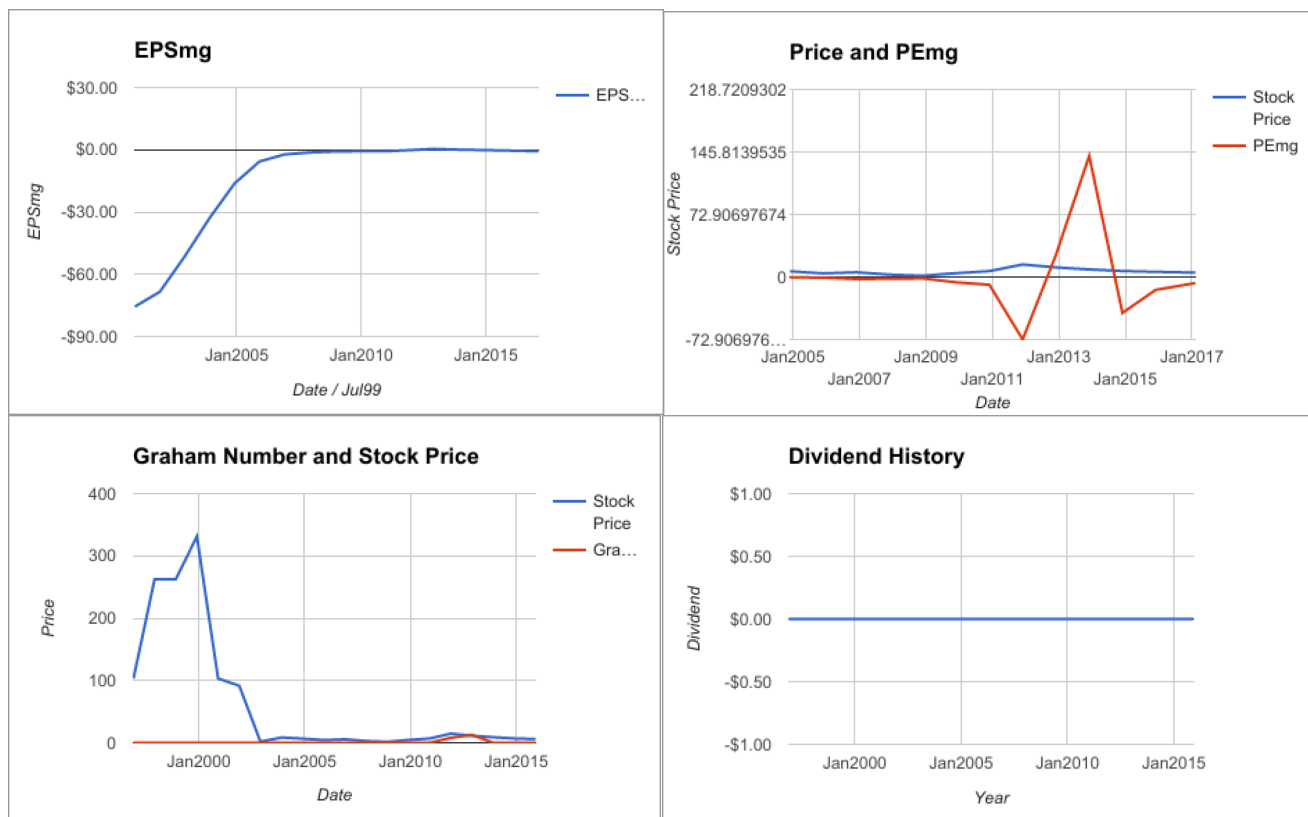
Net Current Asset Value (NCAV)	\$0.41
Graham Number	\$0.00
PEmg	-7.08
Current Ratio	3.71
PB Ratio	1.63
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	-\$1.02	Next Fiscal Year Estimate	-\$0.73
Dec2015	-\$0.78	Dec2015	-\$0.40
Dec2014	-\$0.71	Dec2014	-\$0.17
Dec2013	-\$1.02	Dec2013	\$0.06
Dec2012	\$1.46	Dec2012	\$0.43
Dec2011	\$0.86	Dec2011	-\$0.20
Dec2010	-\$0.95	Dec2010	-\$0.75
Dec2009	-\$0.48	Dec2009	-\$0.71
Dec2008	-\$0.45	Dec2008	-\$0.86
Dec2007	-\$1.17	Dec2007	-\$1.31
Dec2006	-\$0.96	Dec2006	-\$2.27
Dec2005	-\$1.06	Dec2005	-\$5.66
Dec2004	-\$0.98	Dec2004	-\$16.23
Dec2003	-\$4.83	Dec2003	-\$32.90
Dec2002	-\$12.34	Dec2002	-\$51.41
Dec2001	-\$36.50	Dec2001	-\$68.50
Dec2000	-\$109.25	Dec2000	-\$75.62
Dec1999	-\$92.00	Balance Sheet Information 9/1/2016	
Dec1998	-\$51.75	Total Current Assets	\$231,414,000
Dec1997	-\$28.50	Total Current Liabilities	\$62,332,000
Dec1996	-\$7.75	Long-Term Debt	\$104,144,000
		Total Assets	\$449,444,000
		Intangible Assets	\$189,477,000
		Total Liabilities	\$198,647,000
		Shares Outstanding (Diluted Average)	79,303,000





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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ModernGraham
posts about the
company

#N/A

Other
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posts about related
companies

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[Johnson & Johnson Valuation – January 2017 \\$JNJ](#)
[Allergan plc Valuation – January 2017 \\$AGN](#)
[Impax Laboratories Inc – Initial Coverage \\$IPXL](#)
[Alexion Pharmaceuticals Inc Valuation – December 2016 \\$ALXN](#)
[Akorn Inc Valuation – December 2016 \\$AKRX](#)
[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](#)